FORECAST OF THE NATION

1990 IV-1992 III

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

November 1990

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RECESSION SHOULD BE SHORT IF...

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SUMMARY

Economic activity clearly is declining sharply during the fall. Barring substantial upward revisions in employment and the workweek for October, hours worked in the fourth quarter will fall more than 4%. Even with a substantial decline in productivity, GNP almost certainly is falling more than 2%. Thus, any questions concerning whether a recession has begun are moot. The relevant issue now is how long and how deep this recession will be.

Unfortunately, uncertainties remain extremely high. Oil prices are averaging $33 per barrel, which is consistent with a $31 per barrel imported price. If prices begin easing in the winter, consumer spending should begin to rebound by the spring. Because inventories are not excessive, this would mean a relatively short and mild recession. Obviously, substantially higher oil prices will intensify weakness in the winter and add to the duration of the recession. (Such higher prices almost certainly would accompany hostilities in the Persian Gulf, leading to oil supply disruptions. Such disruptions could generate oil between $40 and $70 per barrel depending upon various assumptions about oil supply, each of which are equally likely during hostilities.) Our assumption that imported oil prices will average slightly more than $30 per barrel through the winter and then decline to $23 per barrel by next fall leads to only a modest squeeze in consumer purchasing power. Therefore, the downturn is relatively modest and ends during the spring.

A second assumption is that the financial system will be able to absorb the increased foreclosures and rising bad debt without passing the erosion of wealth on to other parts of the economy. Traditionally, the financial system is able to absorb most of the default problems during a mild recession by adding to their bad debt reserve and reducing their capital base. Sometimes some dividend payments are reduced and equity values decline, but the impact upon the remainder of the economy is absorbed by the capital base in the financial system. Severe recessions normally mean that the financial system is unable to absorb this shock and must pass it on in the form of reduced loan activity, reduced depositor earnings, higher fees for lenders, or, in extreme conditions, the abrogation of their own liabilities. Unfortunately, the ability of the financial sector to absorb a recessionary shock are seriously reduced by an already bloated bad loan reserve and a capital base that clearly is inadequate to protect depositors from the risks in bank loan portfolios. A serious financial collapse could lead to a substantially greater downturn than currently projected.

Excluding higher oil prices and a financial collapse, our projections suggest that the downturn will be short-lived. GNP is expected to grow 0.5% in 1991, following a 1% gain in 1990. However, a mild recession without serious inventory adjustments also means a very mild recovery. As the consumer still will be trying to rebuild savings that is being exhausted by higher oil prices, as many corporations are more concerned about reducing debt than building capacity, and as all governments will be strained by budgetary or debt limitations, the economic rebound should be anemic. Growth currently is projected to be only 1.4% in 1992, suggesting that another downturn might be needed to eliminate the debt imbalances that have accumulated in the past decade.

Regardless of those assumptions, inflation will soar and then sag. Of course, how much it soars will depend upon oil prices. After rising 5.6% in 1990, consumer prices should continue to expand by 5.5% in 1991 before returning to a 4.3% trend path in 1992. The GNP deflator, which apparently is distorted when import prices change abruptly, should increase 4.6% both in 1991 and 1992.

The Federal Reserve perceives that recessionary stress will tax the financial system. They probably will reduce monetary restraints, which should lead to falling short-term interest rates in this recessionary environment. The prime rate should fall to 9.5% this year and reach 8.5% before mid-year. Stability then is expected as a modest recovery begins. Long-term government bonds should yield less than 8.5% at the end of this year and fall to less than 8% early in 1992. Mortgage rates also will decline by nearly a percentage point to 9.5% for fixed rate mortgages by next summer.

Based upon the mild recession outlook, stock prices already may have reached their lows, although a testing of that range is likely if hostilities develop. Modest gains in equity values are expected in 1991 before stronger stock market advances occur in 1992. A Dow Jones average above 3300 is likely by the spring of 1992.

In the meantime, investors should hold substantial cash balances in order to add to positions after the outbreak of hostilities. (However, some holdings in stocks and bonds should be encouraged, as the absence of hostilities probably guarantees that the lows have been reached in both markets.)

Although interest rates are now falling, financial constraints are restraining builders from developing apartments. Some single family activity also is being constrained. Therefore, housing starts will fall to 1.182 million in 1991 before rebounding to 1.31 million in 1992. Auto sales are expected to remain sluggish, averaging less than 9.5 million units through 1992 as consumers rebuild their savings.

In summary, the recession already has begun but should be mild. The subsequent recovery also should be weak as inventory adjustments will not be a significant part of this downturn. Inflation should ease soon, with price gains slowing to the lowest level in 5 years by 1992. Interest rates should fall, while equity values soon will rise. However, this all is dependent upon a moderation in oil prices and the ability of the financial community to absorb recessionary weakness. If these assumptions are not valid, greater economic weakness than currently projected should be expected.

OUTLOOK

Lingering doubts about whether the economy is in recession died with the acceleration of unemployment claims during the first three weeks of October and the announced weakness in the workweek during October. Employment already fell more than sixty thousand in October without any help from reductions in Census workers. As rising unemployment claims occurred during and after the survey of employment conditions for October, another sharp drop in employment is almost inevitable in November. Purchasing power is falling so rapidly, both because of rising prices that are not being offset by rising wages and the reduction in employment, that real disposable income should fall more than 2% during the fall. With savings already at a surprisingly low 3.5% in September, this reduction in purchasing power cannot be compensated by reduced savings. Sharp reductions in consumer spending after inflation are likely. Thus, the Christmas selling season should be substantially weaker than previously expected.

If the recession began in late September or October, as the employment data suggests, the surprise is why recession did not occur sooner. Our August forecast suggested that recession might have begun in July. At the time, we were relying upon falling employment and weakening industrial activity. Until September, the job losses were not as large as the reduction in Census employment. These one-time layoffs by the government should not mean that economic weakness is spreading and strengthening, which is required to declare a recession has begun.

But the downward drift in industrial activity, which was initially reported, suggested that industrial weakness was intensifying. However, the Federal Reserve now has revised away the industrial decline. Recessions do not develop while the industrial sector is still expanding.

However, the 1.8% GNP gain during the third quarter almost certainly was overstated. Rising import prices were deflated immediately, causing the import component to be severely discounted for rising prices. Of course, those products also should have been influencing consumption and inventory investment. If those sectors fully reflected the import prices of imported energy materials, then only the indirect impact of import prices, through higher domestic prices for comparable goods, should be adding to inflation. However, if the imported goods that were fully deflated were not fully reflected or appropriately deflated in consumption, investment, and government purchases; then the deflator would be understated and real economic activity would be excessive. In fact, the use of a domestic inflation index, the PPI, to deflate most investment items, including inventories, probably leads to just such a distortion when import prices are changing rapidly. Certainly, inflation of domestically produced goods must have increased in the third quarter, as half our oil supplies are domestically produced, and they increased in price along with oil imports. Also, virtually all other sectors showed substantial acceleration in inflation, including services. Nevertheless, the fixed weighted GNP deflator grew 4.1%, only marginally higher than the 3.9% during the spring. This distortion could be as much as a full percentage point.

If the data are distorted, as suggested, then the deflator will grow more than normally when the import prices finally are fully reflected in sector price changes. Some of this should occur in the fall while some will be corrected in the winter. Thus, reported inflation will be higher and economic activity will be lower than otherwise suggested in these two quarters because of the changes.

Since the last forecast, the government finally enacted some deficit reduction proposals. There will be tax increases that add to the marginal tax rates of high income earners. This will distort savings and work effort in that group. Indeed, the reduced savings will be almost as high as the increased revenue generated by the tax changes. As a result, the budget accord is not very effective in redressing the savings imbalance that has persisted through the past decade.

Some consumption taxes also were enacted, but a 12 cent gasoline tax was trimmed to 5 cents, or less than the U.S. cost of maintaining Operation Desert Shield. In other words, the gasoline users are unwilling even to pay the increased cost for insuring adequate oil supplies. Is this a victory for more rational budgetary policy? Also, the $32 billion 'savings' in medicare disbursements almost certainly will show up in higher hospital and doctor bills for the insured, which, in turn, will become a part of the higher insurance fees that are paid. This is cost shifting rather than resource reduction. Indeed, the medicare beneficiaries are not even paying for the increased costs of medicare; the high wage earners are. A tax on $125,000 of wage income insures that the medicare pool does not run dry. In general, the Congress and Administration ignored the hard choices between savings and investment, and the size of government in their budget agreement.

Yet, taxes will rise. This reduced purchasing power will slow the economy even as inflation will rise by 0.2% more than if no cigarette, alcohol, gasoline, and luxury taxes were enacted. While these are not large changes, they add to measured inflation and reduce economic activity.

However, a change in the mix of government policy could wash out most of the harmful macroeconomic impact from the budget accord. If the Federal Reserve perceives that the full employment budget deficit has been reduced, and uses that knowledge to reduce monetary restraint, then the impact upon the economy from the budget accord will not be great. However, the lost purchasing power begins in December and January while any positive impact from less monetary restraint will not be felt until after mid-year.

A 0.25 point reduction in the federal funds rate in October should not be seen as a shift in monetary policy. In fact, the Federal Reserve chose not to allow short-term interest rates to decline while the budget debate was developing. Because the economy was weakening, this stability of short-term rates led to a decline in money growth. In October, little change in any of the monetary aggregates occurred. This is unduly restrictive. All the decline in federal funds did was relieve the tightened pressure in October. No shift in Federal Reserve policy has yet been accomplished. Thus, further easing is necessary to prevent the budget accord from having an adverse impact upon economic conditions.

Investors are torn by several possibilities in this uncertain environment. If the recession is mild, as presented here, equity values already may have reached levels from which a rally is likely. If oil prices do not spurt, the current economic weakness will lead to lower interest rates. However, reduced interest rates in the United States will conflict with rising interest rates in Europe and more stable rates in Japan. As a result, foreign investors will seek gains elsewhere, causing the dollar to lose value. Moreover, oil or financial assumptions may prove to be incorrect.

Under the above conditions, investors probably should invest based upon assumptions that oil prices and financial systems remain near current conditions. However, uncertainties should spawn larger holdings of liquidity than normal. Strong options positions and margined investments are not advised until these uncertainties diminish. However, once the cash reserve has been accumulated in money market accounts, short-term certificates, or treasury bills; bonds and some stocks should be purchased. If the uncertainties do not occur, those investments will do well from current levels. Gains in bonds are more likely than in stocks, but some stock gains also are expected. If financial collapse develops, government bonds will perform well, although other investments will struggle. If oil prices surge and then sag, the remaining cash can be used to buy bargains. Then bonds soon would return to more favorable prices. Stocks also would do well in such circumstances.

Unfortunately, the uncertainties continue to require that forecasters must forecast often.

ASSUMPTIONS

If a war develops in the Persian Gulf, it is assumed to be a quick conflict that does not seriously disrupt oil supplies. On the outbreak of hostilities, insurance coverage for oil tankers will be withdrawn in the Persian Gulf, virtually assuring that 20% of the world's oil supply will not be delivered in a timely fashion. However, a fast conflict would restore oil flows before any inventory concerns arise. While oil prices momentarily could rise to as high as $70 for such a supply disruption, we assume that such high prices would not persist for more than a few days. Also, the hostilities are not expected to generate a huge military bill to replace the equipment lost in the conflict. Any casualties also are not expected to impact the domestic labor market.

Clearly, other assumptions are equally likely. Major hostilities with substantial damage and sustained oil supply disruption would plunge the world into recession. Under such conditions, our financial system may not be able to absorb the recessionary shocks caused by higher oil prices. Therefore, a prolonged and deep recession probably would develop, although replacement military parts eventually would restore economic health, albeit with more inflation than currently projected.

Further deficit reduction packages also are likely. Following their success at labelling the Republicans as the party of the rich, the Congress probably will enact a surtax on wealthy people. At the same time, marginal tax rates may reach levels that generate intense lobbying for investment loopholes for such taxpayers. The entire tax reform package could unravel. The Congress also is expected to enact further minimum wage legislation following the April 1 move to $4.25 per hour.

Some of the budget assumptions are contained in table 5, while the monetary assumptions, which include some easing of monetary restraint through the next two years, are contained in table 6.

Other forecasted assumptions are as follows:

a. Barrels of imported oil are expected to rise by 19.4% in 1990 and a further 32.5% in 1991 before falling by 15.7% in 1992. Prices are expected to increase from $20.03 per barrel in 1990 to $26.54 in 1991 and $22.39 in 1992. Aside from the 5 cent gasoline tax, no further oil product taxes are assumed.

b. No changes are expected in the cost of living adjustments for government programs. Adjustments of 5.5% and 4.4% were used for the next two fiscal years. Also, government wages were expected to grow by 3.6% next year and by 3.5% the year after.

c. The wage base for Social Security was assumed to be $56,000 in 1991 and $59,000 in 1992. Of course, the medicare tax was increased to $125,000 in 1991 and to rise with inflation to $131,800 in 1992. No further tax treatment of benefits was assumed during the next two years.

d. Minimum wage legislation, including a training wage for teenagers, was assumed with legislation raising the minimum to $4.25 on April 1991. Further increases are expected in 1992 to $4.70. This adds 0.4% per year to distributive and service wage costs.

e. World trade is expected to grow 4% in 1991 and 5% in 1992. European growth rates are 2.5% and 3% during the next two years. Eastern Europe should decline nearly 4% next year and then grow 5% the year after. Asia should grow about 4% in both years.

f. Postal rates were assumed to rise to 30 cents for first class mail during the second quarter of 1991.

g. No major labor disruptions were assumed during the forecast period.

CONCLUSION

Uncertainties still cloud the outlook but the beginning of a recession no longer appears to be in doubt. Data revisions shifted the beginning of the recession from July to October, but the economy definitely is declining at this time. Moreover, reduced purchasing power from rising prices and falling employment and hours assures further consumer and investment weakness in the months ahead. Thus, the cumulative weakness that Chairman Greenspan said would constitute a recession is in place. Economic activity is falling sharply in the fall, but a swift resolution to the Persian Gulf crisis by the winter could rebuild consumer confidence by the spring. Thus, an economic recovery probably will begin next spring.

However, the recovery will be weak because production does not need to collapse in order to rid the system of inventory excesses. Only retailers appear to have too many inventories, and they are trying, through promotions, to eliminate that problem. Without a serious reduction in production below final sales, a surge in production at the onset of recovery is not likely. Instead, the debt burdens of corporations and governments, and the low savings of the household sector will restrain economic growth. Housing should begin rebounding next spring, and export activity should continue growing, but consumer spending will be sluggish. Therefore, another bout of economic weakness could surface as early as 1992 because of these unresolved excesses.

Of course, two factors could lead to substantially greater economic weakness: a prolonged oil disruption because of war in the Persian Gulf, and the failure of the financial system to absorb the shocks of recessionary behavior. Neither of these events seem likely; but if they develop, the downturn will be longer and deeper than currently projected. (Conceivably, a rapid peaceful conclusion to the Persian Gulf crisis could drop oil prices sharply. This would lead to substantially stronger consumer spending than currently projected, but this outcome is not likely at this time.)

Because the economy already appears to be in recession, our assumption that the recession will be mild and that inflation will ease soon certainly must be viewed as in the optimistic camp. If those other conditions do not materialize, we expect to be right. If....

Table 1.

U. S. Expenditures in Current Dollars
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	3622.7	3700.6	3766.4	3821.9	3874.2	3927.2	3984.6	4041.3	4104.0	4165.3	6.4	6.3	6.0	3669.5	3902.0	4134.2
2. % Change(AR)	3.9	8.9	7.3	6.0	5.6	5.6	6.0	5.8	6.4	6.1						
3. Durable Goods	478.4	483.1	483.4	481.3	485.4	491.5	495.4	496.2	503.3	509.3	2.0	0.9	3.5	484.3	488.4	505.5
4. Autos, Trucks & Parts	212.4	216.8	215.9	221.5	218.9	223.3	224.7	224.5	229.3	232.9	0.5	2.6	3.7	216.6	222.1	230.3
5. Other Durable Goods	266.0	266.3	267.5	259.8	266.5	268.2	270.7	271.7	274.0	276.4	3.3	-0.5	3.4	267.7	266.3	275.3
6. Nondurable Goods	1179.0	1202.8	1228.7	1251.0	1263.0	1272.6	1286.2	1304.8	1320.7	1336.3	5.9	6.0	4.7	1196.3	1268.2	1328.1
7. Services	1965.3	2014.7	2054.3	2089.6	2125.8	2163.1	2203.0	2240.3	2280.0	2319.7	7.8	7.9	7.2	1988.9	2145.4	2300.6
8. Pers Cons less Services	1657.4	1685.9	1712.1	1732.3	1748.4	1764.1	1781.6	1801.0	1824.0	1845.6	4.7	4.5	4.4	1680.6	1756.6	1833.6
9. % Change(AR)	-2.2	7.1	6.4	4.8	3.8	3.6	4.0	4.4	5.2	4.8						
10. Pvt Domestic Invstment	759.0	759.6	744.5	735.1	758.2	778.4	790.9	787.3	804.3	814.9	-2.4	1.7	5.6	752.6	765.7	808.6
11. Residential Structures	229.1	220.8	213.6	213.1	214.2	219.6	224.4	231.0	237.1	243.3	-2.7	-3.1	10.2	224.9	217.8	240.0
12. Other Structures	147.2	150.2	147.8	146.8	147.4	147.8	149.5	150.8	152.4	154.2	1.6	-0.4	3.7	148.5	147.9	153.3
13. Producer's Durables	369.3	379.9	381.3	381.6	382.4	380.6	382.7	382.2	382.0	386.0	2.9	1.5	0.7	376.2	381.8	384.6
14. Change in Inventories	13.4	8.8	2.3	-6.4	14.2	30.4	34.3	23.3	32.8	31.4				3.2	18.1	30.7
15. Chg in Nonfarm Inv	13.0	7.8	-1.0	-9.5	13.0	32.1	32.8	17.7	33.3	32.2				0.7	17.1	29.0
16. Net Exports	-24.9	-49.2	-62.2	-61.3	-65.4	-73.5	-62.1	-56.2	-51.9	-56.2	-9.8	57.7	-19.3	-41.6	-65.6	-52.9
17. Exports	659.7	662.6	675.2	684.1	688.7	695.9	712.4	728.4	737.8	751.3	6.1	4.6	7.4	664.7	695.3	746.7
18. Imports	684.6	711.8	737.4	745.4	754.1	769.4	774.5	784.6	789.7	807.5	5.0	7.7	5.0	706.3	760.9	798.7
19. Government Purchases	1086.4	1103.4	1117.1	1136.7	1150.6	1158.9	1171.6	1190.3	1207.7	1221.2	6.7	5.5	5.1	1094.3	1154.5	1213.4
20. Federal Purchases	421.9	425.4	425.3	432.7	436.1	432.4	433.5	439.6	444.8	446.1	5.2	3.1	2.5	420.8	433.7	444.4
21. Defense	309.6	311.1	307.4	314.1	314.1	315.8	312.1	315.2	317.3	319.3	2.6	1.7	0.9	308.8	314.0	316.8
22. Nondefense	112.3	114.3	117.9	118.6	122.0	116.6	121.4	124.4	127.5	126.8	13.2	6.9	6.7	112.0	119.7	127.7
23. State and Local	664.6	678.0	691.8	704.0	714.5	726.5	738.1	750.7	762.9	775.1	7.7	7.0	6.7	673.5	720.8	769.0
24. Gross National Product	5443.3	5514.4	5565.8	5632.4	5717.6	5791.0	5885.0	5962.7	6064.1	6145.2	5.3	5.1	6.0	5474.7	5756.5	6104.2
25. Net Change(amount)	67.9	71.1	51.4	66.6	85.2	73.4	94.0	77.7	101.4	81.1				69.1	79.8	90.0
26. % Change(curr$, AR)	5.1	5.3	3.8	4.9	6.2	5.2	6.7	5.4	7.0	5.5				5.3	5.1	6.0
27. Gross Natl Product(82$)	4155.1	4173.6	4151.2	4148.0	4167.5	4187.8	4204.1	4201.9	4233.8	4245.2	1.0	0.5	1.4	4157.6	4176.9	4235.7
28. % Change(1982$, AR)	0.4	1.8	-2.1	-0.3	1.9	2.0	1.6	-0.2	3.1	1.1				1.0	0.5	1.4
29. Implicit Price Deflator	131.0	132.1	134.1	135.8	137.2	138.3	140.0	141.9	143.2	144.8	4.3	4.7	4.6	131.7	137.8	144.1
30. % Change(AR)	4.7	3.4	6.1	5.1	4.2	3.2	5.0	5.6	3.8	4.4				4.3	4.7	4.6
31. Final Sales(curr$)	5429.9	5505.6	5563.5	5638.8	5703.4	5760.6	5850.7	5939.4	6031.3	6113.8	5.8	4.9	5.8	5471.6	5738.4	6073.5
32. Net Change from Prev	42.7	75.7	57.9	75.3	64.6	57.2	90.1	88.7	91.9	82.5						
33. Final Sales(1982$)	4145.6	4165.8	4150.2	4154.1	4154.9	4161.9	4176.7	4187.7	4210.8	4225.1	1.5	0.2	1.3	4153.6	4161.9	4215.9

Table 2.

U. S. Real Expenditures
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	2678.8	2702.7	2700.7	2705.6	2715.2	2730.3	2738.2	2745.4	2757.6	2769.2	1.2	1.2	1.5	2689.9	2722.3	2762.4
2. % Change(1982$, AR)	0.2	3.6	-0.3	0.7	1.4	2.2	1.2	1.1	1.8	1.7						
3. Durable Goods	426.8	430.0	427.9	424.1	426.0	428.7	429.1	427.6	431.2	433.3	0.6	-0.8	1.0	430.6	427.0	431.5
4. Autos, Trucks & Parts	177.8	181.2	179.4	177.6	179.4	181.8	181.5	180.0	182.7	185.0	-0.5	-0.3	1.7	180.6	180.1	183.1
5. Other Durable Goods	249.0	248.8	248.5	246.5	246.6	246.9	247.6	247.6	248.5	248.3	1.4	-1.2	0.6	250.0	246.9	248.4
6. Nondurable Goods	911.2	915.0	907.7	910.4	911.9	916.6	917.1	919.0	920.6	922.7	-0.8	0.2	0.8	912.4	914.0	921.4
7. Services	1340.8	1357.7	1365.1	1371.1	1377.3	1385.0	1392.0	1398.8	1405.8	1413.2	2.9	2.6	2.0	1347.0	1381.4	1409.5
8. Pvt Domestic Investment	700.7	700.6	684.9	673.5	686.2	702.8	708.2	696.5	707.3	708.7	-2.8	-0.6	2.0	696.7	692.7	706.7
9. Residential Structures	182.8	175.3	169.0	169.7	167.9	171.0	173.4	176.9	179.9	182.5	-4.4	-4.7	6.2	178.9	170.5	181.1
10. Other Structures	120.9	122.4	119.4	118.3	118.0	117.5	118.1	118.2	118.5	118.9	-0.6	-3.0	0.7	121.6	118.0	118.8
11. Producer's Durables	387.5	395.2	395.5	393.4	392.2	389.2	389.3	387.2	385.9	387.2	2.2	-0.3	-1.1	392.3	391.0	386.9
12. Change in Inventories	9.5	7.8	1.0	-6.1	8.1	25.1	27.4	14.2	23.0	20.1				4.0	13.6	19.8
13. Chg in Nonfarm Inv	11.6	8.2	-1.1	-8.3	7.3	26.0	26.4	10.5	23.3	20.6				2.6	12.9	18.8
14. Net Exports	-44.6	-52.5	-50.7	-48.8	-54.0	-62.7	-58.5	-56.0	-53.0	-55.2	-15.3	22.3	-3.7	-45.8	-56.0	-53.9
15. Exports	620.1	622.0	626.3	628.8	627.8	635.5	648.2	658.6	661.7	669.0	5.2	1.8	5.2	624.1	635.1	667.9
16. Imports	664.7	674.5	677.0	677.6	681.8	698.2	706.7	714.6	714.7	724.2	3.5	3.2	4.4	669.9	691.1	721.6
17. Government Purchases	820.2	822.8	816.3	817.7	820.1	817.4	816.2	816.0	821.9	822.5	2.3	0.1	0.3	816.8	817.9	820.4
18. Federal Government	345.9	345.6	338.4	337.3	338.1	332.4	329.2	326.7	330.4	329.1	1.7	-1.9	-1.9	340.7	334.3	328.0
19. Federal Purchases	217.7	218.2	211.8	212.2	213.2	207.5	204.2	201.9	205.7	204.3	2.4	-1.9	-2.9	213.4	209.3	203.2
20. Value Added	128.2	127.4	126.6	125.1	124.9	124.9	125.0	124.8	124.7	124.8	0.7	-1.8	-0.1	127.3	125.0	124.8
21. State and Local Govt	474.3	477.2	477.9	480.4	482.0	485.0	487.0	489.3	491.5	493.4	2.8	1.6	1.8	476.1	483.6	492.4
22. State & Local Purch.	212.6	214.5	214.3	215.8	216.3	218.1	218.9	220.0	220.9	221.6	3.8	1.5	1.8	214.0	217.3	221.2
23. Value Added	261.7	262.7	263.6	264.6	265.7	266.9	268.1	269.3	270.6	271.8	2.0	1.6	1.8	262.1	266.3	271.2
24. Gross National Product	4155.1	4173.6	4151.2	4148.0	4167.5	4187.8	4204.1	4201.9	4233.8	4245.2	1.0	0.5	1.4	4157.6	4176.9	4235.7
25. % Change(1982$, AR)	0.4	1.8	-2.1	-0.3	1.9	2.0	1.6	-0.2	3.1	1.1						
26. Final Sales Demand	4145.6	4165.8	4150.2	4154.1	4159.4	4162.7	4176.7	4187.7	4210.8	4225.1	1.5	0.2	1.3	4153.6	4163.2	4215.8
27. % Change(1982$, AR)	-0.7	2.0	-1.5	0.4	0.5	0.3	1.4	1.1	2.2	1.4						

Table 3.

Income Related U. S. Gross National Product Components
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Compensation of Employees	3232.5	3276.1	3304.7	3353.1	3395.3	3454.8	3514.0	3570.0	3632.0	3691.5	5.5	5.6	6.8	3248.4	3429.3	3662.1
2. Wages & Salaries	2696.3	2733.3	2756.6	2789.9	2824.8	2874.0	2923.9	2968.3	3020.4	3069.6	5.3	5.3	6.7	2709.5	2853.2	3045.3
3. Manufacturing Ind	548.1	551.2	548.8	549.9	552.9	560.7	568.0	571.4	577.7	585.0	1.0	1.9	4.3	547.3	557.9	581.7
4. Other Producing Ind	183.0	183.9	182.5	183.2	184.6	187.7	191.0	194.5	197.5	201.0	2.5	1.9	6.8	183.2	186.6	199.4
5. Distributive Industry	637.3	642.4	646.1	651.3	659.3	671.0	681.1	689.2	700.1	709.8	5.5	4.3	5.9	638.2	665.7	704.9
6. Service Industry	822.2	844.6	862.2	880.3	896.0	915.2	936.6	954.9	979.2	1000.7	8.0	8.9	9.1	833.0	907.0	989.7
7. Military Compensation	82.2	82.5	82.7	84.8	84.9	85.0	84.9	86.7	86.7	86.6	4.5	3.1	2.0	82.4	84.9	86.6
8. Other Government	423.5	428.8	434.3	440.4	447.1	454.4	462.3	471.6	479.2	487.0	6.9	6.0	7.1	425.4	451.1	483.3
9. Supplements to W & S	536.1	542.8	548.1	563.2	570.5	580.8	590.1	601.7	611.6	621.9	6.6	6.9	7.0	539.0	576.2	616.8
10. Proprietors Income	401.7	398.0	402.4	412.2	416.3	411.6	419.8	429.0	432.8	430.8	5.9	3.3	4.3	401.5	415.0	433.0
11. Business & Professional	350.8	355.2	358.1	357.6	360.6	364.3	368.6	371.7	375.6	379.2	6.6	2.9	4.1	352.7	362.8	377.5
12. Farm Proprietors	51.0	42.8	44.3	54.6	55.7	47.3	51.2	57.3	57.0	51.6	0.5	6.8	6.2	48.9	52.2	55.4
13. Rental Income	4.3	7.6	9.5	9.3	10.0	10.5	10.8	12.2	13.6	11.4	-18.2	50.9	20.5	6.7	10.2	12.2
14. Net Interest	466.2	468.9	470.8	473.2	477.1	481.9	486.9	491.2	497.8	505.6	5.0	2.7	4.5	467.4	479.8	501.4
15. Corporate Profits(adj)	306.6	304.6	297.9	290.8	302.1	309.5	318.1	313.6	328.5	330.8	-3.2	1.2	7.6	301.5	305.1	328.2
16. National Income	4411.3	4455.2	4485.3	4538.6	4600.8	4668.3	4749.6	4816.0	4904.7	4970.1	4.8	4.8	6.4	4425.5	4639.3	4936.9
17. Indirect Business Tax	433.0	444.7	450.8	462.2	469.2	477.5	484.7	492.4	499.9	507.4	6.3	7.6	6.4	440.1	473.4	503.7
18. Capital Consumption Adj	31.8	38.0	44.3	46.5	49.3	51.4	53.1	54.8	56.6	58.4				35.6	50.1	56.6
19. Capital Cons. Allowance	539.3	540.7	541.6	543.8	546.4	549.1	552.3	555.9	559.0	561.8	-0.3	1.5	2.3	540.1	547.9	560.4
20. Business Transfers	34.7	35.4	36.1	36.8	37.5	38.3	39.0	39.8	40.6	41.4	8.3	8.1	8.2	35.1	37.9	41.0
21. Net Govt Subsidies	3.6	-7.5	0.4	-4.8	-2.7	6.2	0.8	-5.0	-1.8	4.8				1.2	-0.1	-0.3
22. Statistical Descrepancy	-2.5	-7.1	7.3	9.3	17.1	0.2	4.5	8.8	5.1	1.3				-0.4	7.8	11.1
23. Gross National Product	5443.3	5514.4	5565.8	5632.4	5717.6	5791.0	5885.0	5962.7	6064.1	6145.2	5.3	5.1	6.0	5474.7	5756.5	6104.2

Table 4.

Derivation of U. S. Personal Income
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. National Income	4411.3	4455.2	4485.3	4538.6	4600.8	4668.3	4749.6	4816.0	4904.7	4970.1	4.8	4.8	6.4	4425.5	4639.3	4936.9
Less:																
2. Adj. Corporate Profits	306.6	304.6	297.9	290.8	302.1	309.5	318.1	313.6	328.5	330.8	-3.2	1.2	7.6	301.5	305.1	328.2
3. Social Insurance	503.8	511.3	515.2	535.8	541.0	550.5	559.4	574.3	582.9	592.5	6.4	7.8	7.5	507.3	546.7	587.9
Plus:																
4. Government Transfers	652.0	660.7	674.3	702.3	709.2	721.2	733.3	759.7	765.3	774.2	8.9	8.8	7.7	658.5	716.5	771.6
5. Social Security, etc	347.6	350.2	356.4	371.3	373.4	378.4	384.3	399.8	402.1	407.8	7.7	7.6	7.7	350.4	376.9	406.0
6. Unemployment Benefits	17.3	18.4	20.1	22.4	23.4	23.9	24.1	25.2	24.4	25.0	23.0	30.1	6.4	18.0	23.5	25.0
7. Veterans Benefits	17.9	17.9	17.9	18.4	18.3	18.3	18.4	18.9	18.9	18.8	3.3	2.5	2.9	17.9	18.4	18.9
8. Employees Retirement	96.0	97.4	98.8	103.2	103.5	104.8	106.3	110.2	110.5	111.6	7.7	7.6	6.6	97.1	104.5	111.4
9. A. F. D. C.	19.6	19.6	19.8	20.2	20.4	20.5	20.8	21.4	21.6	21.7	8.8	4.9	5.9	19.5	20.5	21.7
10. Other Govt Transfers	153.5	157.1	161.3	166.8	170.2	175.3	179.4	184.2	187.8	189.3	11.7	11.2	9.2	155.5	172.9	188.8
11. Business Transfers	34.7	35.4	36.1	36.8	37.5	38.3	39.0	39.8	40.6	41.4	8.3	8.1	8.2	35.1	37.9	41.0
12. Interest Transfers	211.7	217.4	222.5	224.9	228.3	229.1	231.8	232.4	235.6	237.3	8.4	6.5	3.4	214.6	228.5	236.3
13. Personal Dividends	122.9	124.9	126.0	127.1	128.2	129.4	130.6	131.8	133.7	134.5	8.0	4.2	4.0	123.6	128.8	133.9
Equals:																
14. Personal Income	4622.2	4677.7	4731.2	4803.1	4860.9	4926.3	5006.9	5091.8	5167.8	5234.2	6.0	5.4	6.2	4648.5	4899.3	5203.4
less:																
15. Personal Tax Payments	696.5	709.0	719.5	725.8	739.7	754.9	769.3	775.8	784.6	808.9	6.3	6.8	6.8	700.0	747.4	798.4
Equals:																
16. Personal Disposable Inc	3925.7	3968.6	4011.7	4077.3	4121.2	4171.4	4237.6	4316.0	4383.2	4425.3	6.0	5.2	6.1	3948.4	4151.9	4405.0
Less:																
17. Personal Consumption	3622.7	3700.6	3766.4	3821.9	3874.2	3927.2	3984.6	4041.3	4104.0	4165.3	6.4	6.3	6.0	3669.5	3902.0	4134.2
18. Other Outlays	107.9	108.6	109.2	109.6	110.0	110.6	111.5	111.9	112.4	113.0	4.7	1.8	2.2	108.5	110.4	112.8
Equals:																
19. Personal Savings	195.1	159.4	136.1	145.8	137.0	133.6	141.5	162.8	166.8	147.0	-0.8	-18.2	13.3	170.5	139.5	158.1
20. Savings Rate(%, AR)	5.0	4.0	3.4	3.6	3.3	3.2	3.3	3.8	3.8	3.3	-6.5	-22.5	6.7	4.3	3.4	3.6

Table 5.

U. S. Federal Government Activity
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Government Receipts	1105.8	1131.7	1146.4	1162.4	1180.5	1200.4	1226.4	1246.4	1261.8	1295.9	6.0	6.8	7.5	1116.1	1192.4	1282.0
2. Personal Tax & Nontax	492.1	499.7	506.9	511.8	522.4	532.8	542.3	546.3	550.6	570.2	6.3	6.9	6.6	493.1	527.3	561.9
3. Corporate Profits Tax	109.2	120.3	123.6	110.0	112.2	112.1	120.2	122.0	125.0	130.7	4.1	-1.1	13.9	114.9	113.6	129.5
4. Indirect Business Tax	60.5	61.1	62.1	67.4	68.3	69.9	70.6	71.5	72.2	73.0	4.6	13.1	5.2	61.1	69.1	72.6
5. Social Security Contr	444.0	450.6	453.8	473.2	477.6	485.6	493.3	506.6	514.0	522.0	6.4	7.9	7.4	447.1	482.4	518.2
6. Government Expenditures	1271.7	1271.2	1298.9	1338.8	1349.5	1349.8	1372.6	1408.0	1418.9	1425.0	7.2	6.3	5.4	1272.7	1352.7	1425.2
7. Purchases of Goods and Services	421.9	425.4	425.3	432.7	436.1	432.4	433.5	439.6	444.8	446.1	5.2	3.1	2.5	420.8	433.7	444.4
8. Defense	309.6	311.1	307.4	314.1	314.1	315.8	312.1	315.2	317.3	319.3	2.6	1.7	0.9	308.8	314.0	316.8
9. Durables	81.7	84.0	78.6	79.3	80.9	83.4	79.2	79.6	80.4	82.7	-0.2	-0.0	-0.5	80.7	80.7	80.3
10. Nondurables	11.6	12.2	13.7	13.5	12.9	12.2	12.0	11.6	12.0	11.7	13.6	6.5	-7.5	11.9	12.7	11.7
11. Military Payroll	82.2	82.5	82.7	84.8	84.9	85.0	84.9	86.7	86.7	86.6	4.5	3.1	2.0	82.4	84.9	86.6
12. Civilian Payroll	41.8	41.9	42.0	42.5	42.5	42.5	43.3	44.6	45.0	45.3	4.0	2.2	6.0	41.8	42.7	45.3
13. Other Services	85.6	83.5	83.9	87.4	86.1	86.0	85.9	86.2	86.5	86.1	1.3	1.1	-0.2	85.5	86.4	86.2
14. Structures	6.7	7.0	6.5	6.6	6.8	6.7	6.8	6.5	6.7	6.9	2.7	1.9	0.8	6.6	6.7	6.8
15. Nondefense	112.3	114.3	117.9	118.6	122.0	116.6	121.4	124.4	127.5	126.8	13.2	6.9	6.7	112.0	119.7	127.7
16. Durables	5.6	5.9	6.1	6.0	6.2	6.2	6.3	6.3	6.4	6.5	8.0	7.4	4.5	5.8	6.2	6.5
17. Nondurables	5.6	7.4	10.3	8.1	9.8	3.2	6.5	5.3	6.8	5.2	301.7	18.5	1.0	5.8	6.9	7.0
18. CCC Inventory Chg	-1.9	0.0	1.8	-0.6	1.3	-5.2	-1.8	-2.9	-1.5	-3.0				-1.7	-1.6	-2.1
19. Other Nondurables	7.5	7.4	8.5	8.7	8.5	8.4	8.3	8.2	8.3	8.2	12.3	12.3	-3.2	7.6	8.5	8.2
20. Compensation	55.2	54.1	53.6	55.4	55.8	56.0	56.5	59.7	60.1	60.3	9.0	3.6	7.7	54.0	55.9	60.2
21. Other Services	37.6	38.7	39.8	40.9	42.0	42.9	44.0	44.9	45.8	46.7	7.4	11.1	9.1	38.2	42.5	46.3
22. Structures	8.3	8.2	8.1	8.2	8.2	8.3	8.1	8.2	8.4	8.1	16.4	0.3	-0.6	8.2	8.2	8.2
23. Transfer Payments	510.4	510.0	522.5	544.9	547.8	557.2	568.7	586.5	588.6	594.2	8.4	8.4	7.1	511.6	554.7	593.9
24. Grants-In-Aid to State and Local Govt	131.5	131.7	133.3	135.7	138.0	140.4	142.6	145.1	147.5	149.9	11.0	6.0	6.8	131.3	139.2	148.7
25. Net Interest Paid	184.3	191.1	197.5	199.7	203.5	204.4	207.7	209.5	213.6	216.6	9.1	8.6	5.5	187.8	203.8	214.9
26. Deficit of Government Enterprises	23.8	12.9	20.3	25.8	24.1	15.4	21.1	27.3	24.4	18.2	-14.8	1.3	9.8	21.3	21.6	23.7
27. Federal Surplus	-166.0	-139.5	-152.5	-176.4	-169.0	-149.4	-146.2	-161.6	-157.1	-129.1	16.6	2.3	-10.4	-156.6	-160.3	-143.5
28. State and Local Surplus	38.6	42.1	36.4	28.3	27.7	27.6	29.8	28.6	28.9	30.5	-16.5	-26.9	6.6	38.8	28.4	30.2
29. Total Government Surplus	-127.3	-97.4	-116.1	-148.1	-141.3	-121.8	-116.4	-133.0	-128.2	-98.6	34.1	12.0	-13.9	-117.8	-131.9	-113.5
30. Federal Debt held by Individuals	2185.7	2259.2	2305.2	2384.6	2420.8	2479.5	2512.0	2578.4	2600.6	2641.1	9.9	10.5	7.1	2216.3	2449.2	2624.0

Table 6.

Selected Economic Variables in the U. S. Economy
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
PRICES																
1. Consumer Price Index	129.3	131.6	134.5	136.0	137.4	138.8	140.1	141.6	143.2	144.9	5.6	5.5	4.3	130.9	138.1	144.0
2. % Change (AR)	4.1	7.1	9.2	4.5	4.2	4.1	3.8	4.4	4.6	4.8						
3. PPI - Indust. Commodities	113.3	115.8	120.3	121.2	121.3	120.5	120.8	121.6	122.1	122.3	3.7	4.5	1.0	115.8	121.0	122.2
4. % Change (AR)	-1.3	9.3	16.5	3.0	0.3	-2.6	1.0	2.7	1.7	0.7						
5. PPI - Finished Goods	117.5	119.0	121.7	122.8	123.3	122.9	123.9	124.8	125.6	127.0	4.8	3.6	2.5	119.0	123.2	126.4
6. % Change (AR)	-0.3	5.1	9.4	3.7	1.6	-1.3	3.3	2.9	2.6	4.5						
CORPORATE ECONOMY																
7. After Tax Profits	166.1	185.9	195.0	180.8	182.5	181.4	190.2	191.4	194.3	201.7	3.4	2.9	8.7	178.5	183.7	199.7
8. Inventory Profits	-0.5	-30.6	-45.4	-19.5	-10.8	-0.9	-10.5	-17.9	-8.9	-20.6				-22.0	-10.4	-71.9
9. Genuine Profits	173.5	157.6	146.7	257.0	165.5	173.1	171.6	164.9	176.1	171.3	-8.7	19.0	-11.2	161.2	191.8	170.2
10. Dow-Jones Index - Mean Closing	2799.0	2724.1	2483.5	2581.8	2793.4	2865.5	3043.8	2914.3	3284.1	3088.6	6.3	5.7	11.4	2667.8	2821.1	3141.9
														1795.8	1974.1	1911.0
11. New York Composite Index - Mean Closing	191.21	183.86	173.84	175.98	186.24	188.02	199.06	195.58	210.70	201.47	2.0	2.0	9.6	183.63	187.33	205.26
FINANCIAL																
12. Monetary Base	306.3	312.6	319.6	325.3	331.3	336.0	341.3	345.6	350.8	356.1	6.5	7.7	6.0	309.8	333.5	353.6
13. Checkable Deposits	575.7	577.6	578.9	587.9	596.0	602.8	615.4	621.8	632.1	643.3	1.8	4.2	6.3	576.5	600.5	638.5
14. M1	807.4	816.0	823.7	837.6	850.4	860.5	876.8	886.8	901.2	916.6	3.6	5.5	6.2	811.9	856.3	909.6
15. Velocity of M1	6.703	6.715	6.708	6.671	6.671	6.678	6.661	6.671	6.677	6.653	1.7	-0.4	-0.2	6.698	6.670	6.659
16. M2	3275.6	3301.1	3331.7	3383.0	3438.2	3485.3	3540.7	3591.0	3651.4	3714.5	5.1	5.2	6.4	3290.2	3461.8	3682.6
17. Velocity of M2	1.652	1.660	1.658	1.652	1.650	1.649	1.649	1.647	1.648	1.642	0.2	-0.2	-0.3	1.653	1.650	1.645
INTEREST RATES																
18. Federal Funds Rate	8.24	8.16	7.79	7.23	6.84	6.76	6.81	6.73	6.67	6.87	-12.0	-14.8	-1.6	8.11	6.91	6.80
19. Prime Rate	10.00	10.00	9.82	9.36	8.84	8.50	8.50	8.50	8.50	8.50	-8.4	-11.7	-3.4	9.96	8.80	8.50
20. 3 Month Treasury Bill	7.75	7.48	7.15	6.74	6.49	6.45	6.56	6.46	6.39	6.53	-7.1	-12.9	-0.8	7.53	6.56	6.51
21. 6 Month Treasury Bill	7.74	7.41	7.16	6.72	6.55	6.66	6.72	6.61	6.45	6.78	-6.6	-11.2	0.1	7.50	6.66	6.67
22. 1 Year Treasury Bond	8.27	7.83	7.03	6.67	6.53	6.78	6.85	6.72	6.48	6.89	-8.4	-14.2	0.8	7.81	6.71	6.76
23. 7 Year Treasury Bond	8.70	8.63	8.42	8.17	7.94	7.71	7.88	7.69	7.52	7.64	0.3	-7.3	-3.3	8.55	7.93	7.66
24. 30 Year Treasury Bond	8.65	8.80	8.76	8.51	8.42	8.29	8.21	8.03	7.96	8.03	2.5	-3.5	-4.4	8.66	8.36	7.99
25. Seasoned AAA Corps	9.40	9.40	9.43	9.36	9.27	9.20	9.26	9.11	8.89	8.98	1.1	-0.9	-2.9	9.36	9.27	9.00
26. FHA Mortgage Rate	10.34	10.11	10.02	9.89	9.81	9.90	9.98	9.79	9.65	9.85	-1.7	-2.5	-0.9	10.15	9.90	9.80
ADDITIONAL INDICATORS																
27. Housing Starts	1204	1136	1112	1118	1151	1207	1252	1275	1296	1311	-11.5	-3.6	10.9	1227	1182	1310
28. Single Family Starts	897	862	857	867	889	923	951	967	982	985	-8.4	-1.9	8.8	925	908	987
29. Multiple Family Starts	307	275	255	251	262	284	301	308	314	326	-19.8	-9.1	17.8	302	275	323
30. Unit Auto Sales	9.53	9.73	9.40	9.37	9.37	9.57	9.35	9.17	9.40	9.52	-2.9	-2.1	-0.7	9.62	9.42	9.35
31. Industry Production Indx	109.4	110.5	110.2	109.6	109.9	110.3	110.6	110.2	110.6	111.0	1.4	0.5	0.6	109.6	110.1	110.8
32. Capacity Utilization	83.4	83.6	82.8	81.8	81.5	81.3	81.0	80.2	80.0	79.8	-1.2	-2.2	-1.9	83.2	81.4	79.9

Table 7.

U. S. Foreign Trade Accounts
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
MERCHANDISE TRADE (Seasonally Adjusted Annual Rates)																
1. Merchandise Exports (fas)	396209	388852	399464	405159	412363	408314	421073	431497	440728	442328	7.7	4.9	7.5	392316	411727	442746
2. Food, Feed & Beverages	37138	35368	35625	36023	36249	34187	35642	36276	36894	35946	2.2	-2.4	3.2	36397	35525	36648
3. Ind. Supplies & Mat'ls	101010	101095	104173	105461	106210	105453	107426	109635	110827	111439	8.2	4.3	4.9	101786	106138	111356
4. Capital Goods exc Autos	154387	152059	155376	157763	160229	160824	164753	168765	173219	175482	19.8	5.1	8.3	153020	160892	174309
5. Automotive Goods	39453	36268	37342	37528	36921	34857	35872	36174	36458	36158	20.2	-1.5	0.6	36865	36295	36500
6. Consumer Goods ex Autos	43906	43087	45783	47124	50281	50168	54362	56426	58863	59128	28.0	16.3	18.1	43423	50484	59622
7. Other Merchandise	20316	20975	21165	21260	22473	22825	23018	24221	24467	24175	-50.7	7.4	8.6	20855	22394	24311
8. Merchandise Imports (cv)	477870	499284	535080	541314	551213	552848	561439	566767	573287	583374	5.1	10.4	4.9	499907	551704	578965
9. Food, Feed & Beverages	26908	25029	24973	24878	25172	24984	25428	25724	26124	26073	5.1	-4.5	4.0	26287	25116	26114
10. Ind. Supplies & Mat'ls	129306	137720	172956	182177	177413	175682	176637	183497	184026	189628	9.9	22.4	5.0	145464	177977	186952
11. Capital Goods exc Autos	115493	119426	120758	120128	122769	121365	124326	124128	126649	128813	3.5	3.8	4.7	117625	122147	127886
12. Automotive Goods	86416	91716	89964	87625	94173	95762	96365	95426	96712	96943	3.8	6.2	3.4	87997	93481	96659
13. Consumer Goods ex Autos	103670	109219	110408	110413	115265	118426	121756	121165	122583	124471	3.9	9.2	6.5	106668	116465	124047
14. Other Merchandise	16077	16175	16021	16093	16421	16629	16927	16827	17193	17446	17.1	3.9	4.8	15896	16518	17306
CRUDE ENERGY-RELATED PETROLEUM IMPORTS (Annual Rates Not Seasonally Adjusted)																
15. - Cost in $(millions)	47046.0	52750.5	85156.0	95881.0	85243.6	78243.0	76329.0	78826.0	78893.0	73619.0	25.8	36.3	-9.7	61558.6	83924.2	75789.0
16. - Barrels(millions)	3023.9	3124.5	2995.3	3126.2	3143.2	3179.3	3212.5	3341.5	3368.6	3401.9	5.8	2.7	7.0	3081.2	3165.3	3387.4
17. - Cost in Dollars/Bbl	15.56	16.88	28.43	30.67	27.12	24.61	23.76	23.59	23.42	21.64	19.4	32.5	-15.7	20.03	26.54	22.39
FOREIGN TRANSACTIONS (Seasonally Adjusted Annual Rates)																
18. Total Exports	659.7	662.6	675.2	684.2	688.7	695.9	712.4	728.4	737.8	751.3	6.1	4.6	7.4	664.7	695.3	746.7
19. Mdse Exports	395.0	395.8	404.5	410.2	410.4	414.3	426.1	436.5	440.7	449.3	7.4	4.5	7.7	397.4	415.3	447.1
20. Factor Income	130.5	131.1	133.4	134.8	136.5	138.3	140.6	143.7	146.2	148.8	-2.1	3.9	7.2	132.4	137.6	147.5
21. Other Services	134.2	135.7	137.3	139.1	141.8	143.3	145.7	148.2	150.9	153.2	11.4	5.6	6.7	134.9	142.5	152.0
22. Total Imports	684.6	711.8	737.4	745.4	754.1	769.4	774.5	784.6	789.7	807.5	5.0	7.7	5.0	706.3	760.9	798.7
23. Mdse Imports	484.1	513.5	542.1	551.3	556.2	569.1	569.4	576.8	578.3	593.9	5.9	10.2	4.3	509.4	561.5	585.8
24. Factor Income	98.9	96.3	92.7	90.3	91.8	93.3	95.8	96.6	99.7	101.4	-2.5	-2.6	8.2	95.3	92.8	100.5
25. Other Services	101.6	102.0	102.6	103.8	106.1	107.0	109.3	111.2	111.7	112.2	8.4	4.8	5.5	101.7	106.6	112.4
26. Net Transfer Payments	19.4	14.6	17.7	15.9	16.0	17.2	20.7	15.6	15.9	16.5	11.2	6.2	-2.8	16.4	17.5	17.0
27. Government Interest	38.7	39.7	40.4	41.2	41.9	42.5	43.4	44.8	46.0	47.6	8.8	8.1	10.7	39.1	42.3	46.8
28. Net Foreign Investment	-82.9	-103.6	-120.3	-118.4	-123.3	-133.2	-126.2	-116.6	-113.8	-120.3	0.3	29.0	-7.3	-97.1	-125.3	-116.2
29. Trade Weighted Value of Dollar (3/73 = 100)	92.66	87.44	81.94	80.53	78.82	76.81	78.56	79.93	82.27	82.84	-9.9	-11.4	4.8	88.8	78.7	82.4

Table 8.

Personal Consumption Expenditure Implicit Price Deflators
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Durable Goods	112.1	112.3	113.0	113.5	113.9	114.6	115.5	116.0	116.7	117.5	1.4	1.7	2.4	112.5	114.4	117.2
2. Percent Change(AR)	-1.3	0.9	2.2	1.8	1.6	2.5	2.8	2.1	2.4	2.8						
3. Automobiles	119.5	119.6	120.3	121.2	122.0	122.8	123.8	124.7	125.5	125.9	1.0	2.1	2.7	119.9	122.5	125.8
4. Percent Change(AR)	-2.5	0.6	2.4	3.0	2.6	2.7	3.2	3.0	2.5	1.2						
5. Furniture	98.2	98.1	98.4	98.1	97.7	97.8	98.2	98.1	98.2	98.9	0.4	-0.4	0.7	98.3	97.9	98.6
6. Percent Change(AR)	-1.6	-0.5	1.1	-1.2	-1.6	0.5	1.6	-0.4	0.5	2.7						
7. Other Durables	129.4	129.9	131.3	133.0	134.6	136.4	137.8	139.7	141.2	143.1	5.7	4.6	5.0	129.5	135.5	142.2
8. Percent Change(AR)	7.0	1.6	4.4	5.2	5.0	5.2	4.4	5.4	4.5	5.5						
9. Nondurables	129.4	131.5	135.4	137.4	138.5	138.8	140.2	142.0	143.5	144.8	6.7	5.8	3.9	131.1	138.7	144.1
10. Percent Change(AR)	3.4	6.5	12.4	6.2	3.2	1.0	4.1	5.0	4.2	3.9						
11. Food	135.7	137.1	138.3	140.3	142.1	143.7	145.3	147.3	148.9	150.5	6.1	4.7	4.8	136.5	142.8	149.7
12. Percent Change(AR)	2.8	4.3	3.5	5.8	5.2	4.6	4.5	5.6	4.4	4.4						
13. Apparel	124.1	123.7	126.1	127.3	128.4	127.7	129.7	131.0	132.1	131.7	4.7	3.4	3.0	124.0	128.3	132.1
14. Percent Change(AR)	6.3	-1.2	7.7	4.0	3.5	-2.1	6.3	4.2	3.3	-1.1						
15. Gasoline and Oil	90.0	99.7	118.5	121.8	118.8	114.1	112.6	113.6	114.4	116.5	15.0	17.2	-1.7	99.7	116.9	114.9
16. Percent Change(AR)	-2.4	50.6	99.9	11.7	-9.5	-14.9	-5.2	3.4	2.9	7.7						
17. Fuel Oil	85.3	93.3	113.9	119.9	115.9	108.3	108.7	111.0	110.6	113.1	20.5	16.8	-1.0	96.9	113.2	112.1
18. Percent Change(AR)	-35.5	43.0	122.2	22.9	-12.6	-23.9	1.5	8.8	-1.4	9.3						
19. Other Nondurables	145.0	147.0	149.0	150.7	152.8	154.6	156.6	158.4	160.5	162.4	5.7	5.4	5.1	145.8	153.7	161.4
20. Percent Change(AR)	7.9	5.8	5.5	4.7	5.6	4.9	5.2	4.7	5.4	4.8						
21. Services	146.6	148.4	150.5	152.4	154.3	156.2	158.3	160.2	162.2	164.1	4.7	5.2	5.1	147.6	155.3	163.2
22. Percent Change(AR)	4.2	5.0	5.8	5.2	5.2	4.8	5.4	4.9	5.2	4.9						
23. Housing	149.5	152.7	155.0	156.7	158.8	161.1	163.3	165.1	167.1	169.3	5.4	5.8	5.2	151.3	160.0	168.3
24. Percent Change(AR)	4.7	8.6	6.2	4.5	5.4	5.9	5.6	4.4	4.9	5.4						
25. Electricity and Gas	118.3	116.4	119.0	120.5	121.0	120.1	122.1	123.5	124.3	124.0	1.8	2.3	2.9	118.2	120.9	124.5
26. Percent Change(AR)	-2.4	-6.4	9.4	4.8	1.7	-2.7	6.9	4.4	2.6	-0.8						
27. Other Household Opns	133.0	133.2	133.9	134.9	136.4	137.2	138.2	137.2	138.3	139.2	2.2	2.6	1.5	133.1	136.7	138.7
28. Percent Change(AR)	1.8	0.5	2.3	2.8	4.5	2.5	2.8	-2.9	3.3	2.7						
29. Transportation	135.6	136.4	138.8	142.0	142.9	144.4	145.9	148.6	150.7	151.8	4.4	5.6	5.1	136.2	143.8	151.1
30. Percent Change(AR)	5.2	2.4	7.1	9.8	2.4	4.3	4.2	7.9	5.5	3.2						
31. Medical Care	159.0	161.5	164.3	166.9	169.6	172.0	174.9	177.8	180.7	183.8	5.7	6.5	6.7	160.4	170.9	182.3
32. Percent Change(AR)	5.2	6.4	7.2	6.5	6.6	5.8	6.9	6.8	6.7	7.1						
33. Other Services	146.0	147.6	149.0	150.5	152.3	154.1	155.8	157.6	159.4	161.1	4.1	4.4	4.6	146.7	153.2	160.2
34. Percent Change(AR)	5.1	4.3	3.9	4.0	4.9	4.8	4.5	4.7	4.7	4.3						

Table 9.

Gross National Product Implicit Price Deflators
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
1. Gross National Product	131.0	132.1	134.1	135.8	137.2	138.3	140.0	141.9	143.2	144.8	4.3	4.7	4.6	131.7	137.8	144.1
2. Percent Change(AR)	4.7	3.4	6.2	5.2	4.2	3.2	5.0	5.5	3.7	4.5						
3. Personal Consumption	135.2	136.9	139.5	141.3	142.7	143.8	145.5	147.2	148.8	150.4	5.0	5.1	4.4	136.4	143.3	149.6
4. Percent Change(AR)	3.6	5.1	7.8	5.3	4.0	3.1	4.8	4.8	4.4	4.4						
5. Consumer Price Index	129.3	131.6	134.5	136.0	137.4	138.8	140.1	141.6	143.2	144.9	5.6	5.5	4.3	130.9	138.1	144.0
6. Percent Change(AR)	4.0	7.3	9.1	4.5	4.2	4.1	3.8	4.4	4.6	4.8						
7. Private Domestic Invest	108.3	108.4	108.7	109.1	110.5	110.8	111.7	113.0	113.7	115.0	0.4	2.3	3.5	108.0	110.5	114.4
8. Percent Change(AR)	6.5	0.4	1.0	1.6	5.0	1.0	3.4	5.0	2.4	4.5						
9. Structures	121.8	122.7	123.4	124.1	124.9	125.8	126.6	127.6	128.6	129.7	2.2	2.7	3.0	122.0	125.4	129.1
10. Percent Change(AR)	5.4	3.0	2.3	2.3	2.6	2.9	2.6	3.2	3.2	3.5						
11. Producer's Durables	95.3	96.1	96.4	97.0	97.5	97.8	98.3	98.7	99.0	99.7	0.6	1.8	1.8	95.9	97.7	99.4
12. Percent Change(AR)	-2.1	3.4	1.3	2.5	2.1	1.2	2.1	1.6	1.2	2.9						
13. Residential Structures	125.3	126.0	126.4	126.9	127.6	128.4	129.4	130.6	131.8	133.3	1.8	1.8	3.5	125.8	128.1	132.5
14. Percent Change(AR)	0.0	2.3	1.3	1.6	2.2	2.5	3.2	3.8	3.7	4.6						
15. Exports	106.4	106.5	107.8	108.8	109.7	109.5	109.9	110.6	111.5	112.3	0.9	2.8	2.1	106.5	109.5	111.8
16. Percent Change(AR)	4.2	0.4	5.0	3.8	3.4	-0.7	1.5	2.6	3.3	2.9						
17. Imports	103.0	105.5	108.9	110.0	110.6	110.2	109.6	109.8	110.5	111.5	1.5	4.5	0.5	105.4	110.1	110.7
18. Percent Change(AR)	-4.5	10.1	13.5	4.1	2.2	-1.4	-2.2	0.7	2.6	3.7						
19. Federal	122.0	123.1	125.7	128.3	129.0	130.1	131.7	134.6	134.6	135.6	3.4	5.1	4.4	123.5	129.8	135.5
20. Percent Change(AR)	-4.2	3.7	8.7	8.5	2.2	3.5	5.0	9.1	0.0	3.0						
21. Federal Purchases	111.5	113.2	116.6	117.8	118.6	120.0	121.8	123.1	118.4	124.3	2.4	5.1	2.9	113.7	119.6	123.0
22. Percent Change(AR)	-7.2	6.3	12.6	4.2	2.8	4.6	6.5	4.3	-14.5	21.4						
23. Federal Value Added	139.8	140.1	140.8	146.0	146.1	146.9	147.7	153.0	153.8	154.0	5.0	4.8	4.9	139.9	146.7	153.9
24. Percent Change(AR)	2.3	0.9	2.0	15.6	0.3	2.2	2.2	15.1	2.1	0.5						
25. State & Local	140.1	142.1	144.8	146.5	148.2	149.8	151.6	153.4	155.2	157.1	4.8	5.3	4.8	141.5	149.0	156.2
26. Percent Change(AR)	3.5	5.8	7.8	4.8	4.7	4.4	4.9	4.8	4.8	5.0						
27. State/Local Purchases	125.6	127.5	130.9	127.7	133.5	134.4	135.7	137.2	143.8	140.0	4.0	4.3	5.9	127.4	132.8	140.6
28. Percent Change(AR)	0.6	6.1	11.1	-9.5	19.7	2.6	4.0	4.4	20.7	-10.0						
29. State/Local Value Added	151.9	154.0	156.0	158.1	160.2	162.4	164.5	166.7	168.8	171.0	5.4	5.5	5.3	153.0	161.3	169.9
30. Percent Change(AR)	5.4	5.6	5.3	5.5	5.4	5.6	5.3	5.5	5.1	5.3						

Table 10.

Details of Private Consumption in the U. S.
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
Current Dollars																
1. Durable Goods	478.4	483.1	483.4	481.3	485.4	491.5	495.4	496.2	503.3	509.3	2.0	0.9	3.5	484.3	488.4	505.5
2. Autos, Trucks & Parts	212.4	216.8	215.9	215.3	218.9	223.3	224.7	224.5	229.3	232.9	0.5	1.8	4.4	216.6	220.6	230.3
3. Furniture	176.8	175.9	175.7	173.7	173.2	173.7	174.9	174.9	175.7	176.5	3.2	-1.7	1.3	176.8	173.9	176.2
4. Other	89.3	90.3	91.8	92.3	93.3	94.5	95.8	96.8	98.3	99.9	3.5	3.4	5.4	90.9	94.0	99.1
5. Nondurable Goods	1179.0	1202.8	1228.7	1251.0	1263.0	1272.6	1286.2	1304.8	1320.7	1336.3	5.9	6.0	4.7	1196.3	1268.2	1328.1
6. Food	623.3	627.9	632.0	641.6	650.8	660.0	668.2	678.3	686.4	694.3	5.0	4.8	5.4	624.9	655.2	690.5
7. Clothing & Shoes	212.6	215.8	217.2	219.7	222.5	224.0	225.9	229.0	231.4	232.5	4.9	3.9	4.0	214.6	223.0	231.8
8. Gasoline & Oil	84.5	95.4	109.4	112.1	109.8	106.5	105.3	106.3	107.3	109.3	12.3	15.2	-0.6	94.1	108.4	107.7
9. Fuel Oil & Coal	17.4	19.4	23.8	25.3	24.0	22.2	22.5	23.2	22.9	23.3	10.9	20.1	-1.0	19.6	23.5	23.3
10. Other	241.2	244.2	246.3	252.3	255.9	259.9	264.3	268.0	272.7	276.9	6.3	6.2	6.5	243.1	258.1	274.8
11. Services	1965.3	2014.7	2054.3	2089.6	2125.8	2163.1	2203.0	2240.3	2280.0	2319.7	7.8	7.9	7.2	1988.9	2145.4	2300.6
12. Housing	563.6	575.7	585.1	592.2	600.9	610.6	620.1	628.0	636.8	646.4	6.8	6.3	5.9	570.2	606.0	641.9
13. Utilities	97.5	100.1	105.0	106.6	106.8	106.8	109.2	111.0	112.1	112.5	1.1	8.7	4.9	98.8	107.4	112.7
14. Other	114.4	116.8	118.4	119.5	120.7	122.0	123.4	122.9	124.6	126.0	6.4	[illegible].0	3.2	115.6	121.4	125.2
15. Transportation	135.2	137.5	135.7	137.9	140.0	142.2	144.1	147.3	149.9	152.0	6.9	[illegible].3	6.9	135.2	141.1	150.8
16. Medical Care	475.8	493.1	508.7	522.1	534.9	547.5	560.6	573.6	587.1	601.8	11.7	11.6	9.9	485.1	541.3	594.7
17. Other	578.9	591.4	601.4	611.3	622.5	634.0	645.5	657.5	669.5	681.0	7.3	7.6	7.5	584.2	628.3	675.3
Constant Dollars																
18. Durable Goods	426.8	430.0	427.9	424.1	426.0	428.7	429.1	427.6	431.2	433.3	0.6	-0.8	1.0	430.6	427.0	431.5
19. Autos, Trucks & Parts	177.8	181.2	179.4	177.6	179.4	181.8	181.5	180.0	182.7	185.0	-0.5	-0.3	1.7	180.6	180.1	183.1
20. Furniture	180.0	179.3	178.6	177.1	177.3	177.6	178.1	178.3	178.9	178.5	2.8	-1.3	0.6	179.8	177.5	178.7
21. Other	69.0	69.5	69.9	69.4	69.3	69.3	69.5	69.3	69.6	69.8	-2.0	-1.1	0.4	70.2	69.4	69.7
22. Nondurable Goods	911.2	915.0	907.7	910.4	911.9	916.6	917.1	919.0	920.6	922.7	-0.8	0.2	0.8	912.4	914.0	921.4
23. Food	459.3	457.9	456.9	457.3	458.0	459.3	459.9	460.5	461.0	461.3	-1.1	0.2	0.6	457.9	458.6	461.2
24. Clothing & Shoes	171.3	174.4	172.3	172.6	173.3	175.4	174.2	174.8	175.2	176.5	0.2	0.5	0.9	173.1	173.9	175.4
25. Gasoline & Oil	93.9	95.7	92.3	92.0	92.4	93.3	93.5	93.6	93.8	93.8	-2.2	-1.8	1.1	94.5	92.8	93.8
26. Fuel Oil & Coal	20.4	20.8	20.9	21.1	20.7	20.5	20.7	20.9	20.7	20.6	-8.1	2.9	0.0	20.2	20.8	20.8
27. Other	166.4	166.1	165.3	167.4	167.5	168.1	168.8	169.2	169.9	170.5	0.6	0.7	1.3	166.7	168.0	170.2
28. Services	1340.8	1357.7	1365.1	1371.1	1377.3	1385.0	1392.0	1398.8	1405.8	1413.2	2.9	2.6	2.0	1347.0	1381.4	1409.5
29. Housing	376.9	377.1	377.5	377.9	378.4	379.0	379.7	380.4	381.1	381.8	1.3	0.5	0.7	377.0	378.8	381.5
30. Utilities	82.4	86.0	88.2	88.5	88.3	88.9	89.4	89.9	90.2	90.7	-0.7	6.2	1.9	83.6	88.8	90.5
31. Other	86.0	87.7	88.4	88.6	88.5	88.9	89.3	89.6	90.1	90.5	4.1	2.3	1.6	86.8	88.8	90.3
32. Transportation	99.7	100.8	97.8	97.1	98.0	98.5	98.8	99.1	99.5	100.1	2.5	-1.2	1.7	99.3	98.1	99.8
33. Medical Care	299.3	305.4	309.6	312.8	315.4	318.3	320.[illegible]	322.6	324.9	327.4	5.7	4.8	3.0	302.3	316.8	326.1
34. Other	396.4	400.7	403.6	406.2	408.7	411.4	414.3	417.2	420.0	422.7	3.0	3.0	2.7	398.1	410.2	421.4

Table 11.

Productivity and Employment in the U. S. Economy
for 1990-II and 1990-III with Forecasts for 1990-IV through 1992-III

Georgia State University
College of Business Administration
Economic Forecasting Center
November 1990

	Period (Quarter Year)										Percentage Change			Annual Rate		
	II 90	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	90/89	91/90	92/91	1990	1991	1992
PRODUCTIVITY																
1. Private Domestic Wage Component - %Chg(AR)	6.1	6.3	5.6	5.6	4.6	5.5	5.3	5.2	5.0	5.3				4.0	5.5	5.2
2. Private Productivity % Change(AR)	0.6	2.3	-0.7	-0.5	1.6	0.0	-0.2	-1.1	0.9	-0.6				-0.2	0.4	-0.1
3. Implicit Unit Labor Cost % Change(AR)	5.5	3.9	6.3	6.1	3.0	5.5	5.5	6.3	4.0	5.9				4.2	5.1	5.3
4. Private Domestic Price Deflator - %Chg(AR)	4.7	3.4	6.2	4.8	4.2	3.2	5.1	5.2	3.8	4.4				4.1	4.6	4.5
EMPLOYMENT																
5. Civilian Employment	118285	117836	117655	117693	117997	118369	118851	119093	119835	120247	0.5	0.2	1.5	117963	118228	119978
6. Private Employment	92108	92294	92120	92244	92406	92817	93187	93395	93890	94261	1.6	0.6	1.5	92092	92664	94046
7. Manufacturing Employment	19168	19077	18881	18795	18759	18784	18794	18742	18759	18778	-1.8	-1.6	-0.1	19084	18783	18767
8. Durable Manufacturing	11216	11125	10970	10880	10855	10846	10853	10795	10805	10818	-2.5	-2.5	-0.4	11139	10859	10811
9. Nondurable Mfg	7953	7952	7911	7915	7904	7938	7941	7947	7954	7960	-0.7	-0.3	0.4	7946	7925	7956
10. Mining	739	739	738	740	743	746	752	756	758	764	5.1	1.3	2.3	735	745	762
11. Contract Construction	5271	5202	5059	5035	5035	5061	5081	5102	5139	5166	0.3	-3.1	1.9	5214	5053	5148
12. Transport & Communication	5818	5852	5886	5885	5888	5899	5905	5897	5922	5932	3.1	1.2	0.5	5823	5894	5922
13. Transportation	3603	3635	3663	3661	3667	3676	3680	3669	3691	3698	4.6	1.8	0.5	3607	3671	3690
14. Communication	2215	2217	2223	2224	2221	2223	2225	2228	2231	2234	0.8	0.3	0.4	2216	2223	2232
15. Trade	26164	26215	26116	26110	26159	26292	26379	26445	26538	26626	1.1	0.3	1.3	26146	26235	26581
16. Retail Trade	19798	19843	19767	19766	19814	19925	19986	20040	20116	20187	1.1	0.4	1.4	19796	19873	20148
17. General Merchandise	2442	2490	2466	2457	2463	2476	2487	2494	2502	2511	-2.6	0.1	1.5	2469	2471	2507
18. Food	3276	3301	3295	3302	3315	3328	3340	3353	3363	3374	2.8	1.3	1.4	3279	3321	3369
19. Automobiles	2118	2134	2124	2120	2114	2115	2119	2118	2120	2123	0.4	-0.0	0.2	2117	2117	2122
20. Eating	6609	6618	6649	6678	6702	6736	6758	6779	6804	6837	1.6	2.6	1.5	6550	6719	6820
21. Other	5353	5299	5233	5209	5220	5270	5282	5296	5327	5342	1.6	-2.5	1.6	5381	5245	5330
22. Wholesale Trade	6366	6372	6349	6344	6345	6367	6393	6405	6422	6439	1.3	0.2	1.1	6350	6362	6433
23. Durable	3772	3770	3748	3742	3739	3752	3765	3771	3781	3793	1.2	-0.3	1.0	3762	3750	3788
24. Nondurable	2593	2603	2601	2602	2606	2615	2628	2634	2641	2646	1.3	1.0	1.2	2588	2613	2645
25. Finance, Insurance and Real Estate	6824	6849	6852	6854	6866	6878	7000	6926	6954	6982	1.4	1.2	1.3	6820	6900	6992
26. Services	28096	28360	28588	28825	28956	29157	29376	29527	29820	30013	4.2	3.0	2.8	28221	29079	29900
27. Government	18612	18344	18350	18388	18485	18516	18597	18661	18778	18825	3.6	0.6	1.6	18384	18497	18793
28. Federal	3280	3072	2985	2977	2973	2968	2965	2969	2982	2986	3.4	-3.8	0.3	3089	2971	2980
29. State & Local	15331	15272	15365	15411	15512	15548	15632	15692	15796	15839	3.6	1.5	1.8	15295	15526	15813
30. Total Payroll	110541	110638	110470	110632	110891	111333	111784	112056	112668	113086	1.8	0.7	1.5	110390	111160	112839
31. Unemployment Rate	5.3	5.6	5.8	6.0	6.2	6.2	6.2	6.3	6.1	6.2	3.9	12.2	0.8	5.5	6.1	6.2

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FORECAST OF THE NATION

1991 I-1992 IV

U1880-1

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

February 1991

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

RECESSION STILL COULD BE SHORT

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

A short recession still is likely despite the rapid decline in employment during the past six months. While payroll employment has fallen by more than a million jobs and the index of hours worked is more than 2% below spring peaks, expenditures appear to have fallen by a lesser amount. Some of this discrepancy may be caused by a flaw in the introduction of imported goods into the national income accounts which leads to unusually low deflators and high economic activity when import prices are rising. This is then reversed when import prices fall. If so, expenditures will decline more during the winter than in the fall, even as employment activity will begin stabilizing.

Several factors still point to a short recession:

First, spending on consumer durables and housing are far below normal growth trends. Autos and trucks are not even meeting replacement requirements to maintain the 180 million vehicles that currently are registered. Housing is expanding nearly 200,000 less than household formations.

Second, the tight credit conditions that could create even a larger discrepancy from sustainable long-term growth paths, such as in 1966, **appear to be reversing**. The monetary base has been growing sharply in recent weeks, but money growth has not yet responded. Falling interest rates should begin to stimulate some demand that would generate increased loan activity and greater expansion of the money stock.

Third, our allies have pledged nearly $45 billion for the first three months of the Persian Gulf war. In effect, they are purchasing our military services. While most of the stimulus from retooling the military and restocking ordnance will occur, hopefully, after the war is over, these pledges act as a transfer from abroad that will limit the borrowing needs of our government and should partially offset dollar weakness caused by falling interest rates at home.

Fourth, inventories have fallen faster than sales in recent months. The past four recessions have ended when inventory disinvestment reached an extreme. Disinvestment already is approaching such levels early in this recession.

Of course, uncertainties remain. The war may be longer and more costly than currently anticipated. Failing financial institutions could undermine confidence, leading to even tighter credit conditions and further consumer reluctance to spend. Lower interest rates here could so undermine the dollar that long-term investors begin discounting bonds to protect against inflationary fears. Strapped state and local governments could raise taxes so much and cut services so rapidly that activity simply cannot improve. All the above are possible, but none appear to be likely enough to overturn our projection of a short recession followed by a modest recovery.

Thus, we predict that **GNP** will be flat in 1991 before expanding a modest 2.3% in 1992. Inflation as measured by the **GNP deflator** should increase 4.1% in 1991 and 3.7% in 1992. **Consumer prices** should rise 3.8% and 3.7% respectively as **oil prices** fall to an average of $19.74 in 1991 and rise only to $20.55 in 1992. **Unemployment rates** should reach 6.6% early in 1992 and then begin declining.

Interest rates are expected to fall through the middle of 1991 and then gradually rise. The **prime rate** should reach 8.50% by midyear but end 1992 at 9.5%. Long-term government bonds will fall to 7.5% this spring and then rise to 8.5% by the end of 1992. Conversely, the dollar should reach its low point this spring and rise by more than 7% in 1992. At the same time, trade deficits should narrow to less than $6 billion per month in 1992. Government deficits also should narrow. However, including the $80 billion social security surpluses and excluding the off-budget borrowings needed to protect thrift depositors, deficits will average nearly $200 billion this year and fall only to $180 billion next year. (The official deficit, which excludes social security and includes the thrift bail out, will exceed $320 billion this year and fall to $270 billion next year.)

OUTLOOK

The employment free-fall that began in October appeared to pause in December. However, 232,000 jobs were lost in January despite seasonal factors that added 85,000 jobs to retail activity. Consumer sentiment appeared to rebound when the Persian Gulf cease-fire ended and the stock market regained all the value it lost following Iraq's invasion of Kuwait on August 2. However, auto sales remained anemic at the end of January. Thus, the recession was still developing early in the winter.

Some of the January employment weakness reflected weather conditions, which shortened the workweek and contributed to the loss of 155,000 construction jobs. Nevertheless, the January job loss means declining personal income for the month. Further restraint by the consumer and another decline in production could follow from this erosion in income.

Moreover, **capacity utilization almost certainly fell below 80% in January**. Such low utilization rates could reduce capital spending. Fortunately, most capital investment has been for cost cutting purposes. As interest rates decline, much of that investment will still occur. Therefore, the erosion of capital spending is not likely to be substantial.

However, sales have been falling more rapidly than inventories, despite unusually rapid production adjustments to prevent excessive inventories from developing. This means that the downturn could end quickly if sales stabilize. Unfortunately, the loss of income is preventing consumption from stabilizing.

In other words, **the economy could fall into a second stage of economic decline** as reduced employment leads to income shortages that result in further spending cutbacks. Three factors should prevent that second stage of decline from ever developing.

First, oil prices are falling and other sensitive industrial prices also are declining. The Journal of Commerce index of sensitive prices has fallen below 95 and continues to trend downward. Oil prices reflect part of this weakness but so do the metals, wood products, and chemicals. Moreover, the fall in gasoline prices to prewar levels, adjusted for the additional 5 cent excise tax, means that consumer prices will be falling. Just as the oil surge in October took as much as $120 billion of purchasing power from consumers' pockets, the oil price slump following the resumption of hostilities will return most of that to consumer pockets. This goes a long way toward offsetting the lost purchasing power from the more than one million increase in joblessness.

Second, as the dollar continues to fall, exports continue to surge. Of course, the world economy is slowing. European growth probably has slowed to less than 2% with outright recessions in Britain and France. Asia is showing a slowing of several percentage points as well, with Japan's 5% growth being cut in half. Thus, the improved competitiveness of American products merely offsets slowing market growth abroad. Nevertheless, exports will continue to grow.

Third, the war will require expenditures that will stimulate the economy. Spending on ordnance and jet fuel, which are nondurable goods, already has exploded. Some replacement of missiles, aircraft, tanks, trucks, and artillery pieces should be expected. Moreover, as much as $45 billion of this material will be purchased by our allies if they meet their pledges. Thus, government spending should swell during the first three quarters of this year.

Lower inflation, more exports, and more defense purchases backed by international financing are compelling reasons why sales should not slump much further. A little more inventory adjustment will be required during the winter, but production could be in a position to rise in the spring.

Yes, such an outlook is fragile. Serious erosion of confidence in our financial institutions could lead to tighter credit conditions and greater reduction in spending to undermine the recovery. However, a reduction in reserve requirements for certificates of deposit; interest rate reductions by the Federal Reserve, including two discount rate reductions, have lowered the acquisition costs of funds relative to loan charges; and the continued support of depositors at federally insured institutions should be sufficient to prevent any serious economic impact from the financial crisis.

Also, the war could linger without further financial support from our allies. This would require increased borrowings and upward pressures on interest rates. Rising interest rates would undermine improving conditions in the financial sector and prevent any recovery in the seriously depressed construction sector.

Furthermore, any risk to oil supplies from the war would undermine the improved inflationary environment that currently is improving consumer purchasing power. Substantial increases in war expenditures also could raise inflationary fears, leading to rising long-term interest rates. These conditions are not likely, but they could happen.

Indeed, the economic outlook is being clouded by more than those uncertainties at this time. Although employment statistics show a substantial reduction in jobs and in the workweek, expenditures as estimated by the GNP accounts do not reflect a similar degree of weakness. Normally, productivity declines sharply as recession begins because producers are reluctant to reduce their employees. The result is a stockpiling of labor that leads to serious erosion in productivity. Such productivity declines did not materialize this fall.

Of course, producers have been responding to economic weakness more rapidly than in other recessions. Just as they have been able to manage their inventories, they also may be managing their employee levels. (However, this assumes that employers view workers as resources rather than as capital goods that should not easily be retired.)

An equally likely explanation is that the GNP accounts are flawed. Whenever import prices rise sharply, the reduction in imports is not fully offset by a surge in prices for investment and consumption goods during the same quarter. This may be especially true of investment goods, including inventories, because their prices are adjusted by the domestically oriented producers' price index. Therefore, a surge in import prices, such as occurred in the fourth quarter, leads to overestimates of real activity and underestimates of the GNP DEFLATOR. When import prices are falling, as they are this winter, the process is reversed. Therefore, economic activity was overstated in the fall while inflation as measured by the deflator was understated. In the winter, the reverse should occur.

If this error exists, our estimates of economic activity for the winter may understate the magnitude of weakness. Thus, **a sharper first quarter decline than currently estimated certainly is possible**. Moreover, because oil prices may continue to fall into the spring, further downward adjustments in activity are possible. Therefore, declining economic activity through the spring cannot be ruled out. However, our forecast assumes that such conditions do not persist.

Certainly, **the vigor of the current stock market rally makes sense only if the recession is short** and inflationary conditions continue to subside. As a result, long-term interest rates would continue to decline. Falling interest rates and rising profit potential certainly can justify a stock market rally. However, this rally probably represents a surge in investment caused by money managers who were sifting on the sidelines while the threat of renewed conflict intensified. When the bad things expected from that conflict did not materialize, such as rising oil prices, sharply higher government deficits, and reduced consumer spending, investors surged back into the market. This surge was the equivalent of everyone pushing through the door at once. The squeeze led to higher valuations than could be justified by prevailing economic conditions.

This does not mean that the stock market should not rise. Our forecast not only envisions a return to 3000 on the Dow Jones by summer, but a surge well above that level toward the end of our forecast period. A projected 14% gain in after-tax profits for 1992 partially accounts for this result. An estimated 9% reduction in interest rates on long-term government bonds this year also increases the value of any earnings that develops. However, this upward valuation of equities normally would develop over several quarters. Instead, the market has leaped by nearly 15% during the past three weeks. Some pause following such a sprint certainly should be expected before the upward trend resumes later this year.

Although the beginnings of recovery are not yet visible, additional military spending, increased exports, and reduced inflationary pressure soon should strengthen economic activity. The stock market is not wrong, merely early.

Of course, the end to falling interest rates also could be near. Although inflation as measured by the CPI should fall to only slightly more than 1% in the spring, such favorable inflationary conditions cannot persist. As the economy begins recovering, the moderation in wage pressures should end. Indeed, the budget restraint program shifted $30 billion of medicare and medicaid payments from the government to private sources. This will raise medical insurance costs. Also, higher wage earners will face a 1.43% increase in taxes on wages between $51,300 and $125,000. Furthermore, the next installment of minimum wages to $4.25 per hour will occur in April. As a result, wage compensation will not slow this year or next despite the rise in unemployment. Therefore, interest rates will reverse course later this year. After falling to 8.5% in the spring, the prime rate could begin climbing next year. Long-term bond yields could fall below 7.5% this spring, but then should return to 8.5% yields by the fall of 1992.

Inflation will not remain a major problem, but neither will it be licked. Consumer prices will rise less than 4% per year during the next two years, but strengthening inflation should reappear in the second half of 1992. At that time, the Federal Reserve will struggle to remove the excess liquidity that was needed to restart this economy. Once loan activity again rebounds, money growth could rise rapidly because of the surge in the monetary base needed to encourage any loan activity in a weakened financial system. The Federal Reserve may be reluctant to aggressively mop up the liquidity in a presidential year, leaving inflationary problems for the following year.

In the meantime, the recovery should be right around the corner and signs of economic expansion will be clear before the spring is over.

ASSUMPTIONS

Although the magnitude of the conflict remains in doubt, the war must be included in any assumptions. Our assumption is that $45 billion in pledges from our allies for the first three months will be honored and that will constitute 80% of the cost of the conflict. As the pledges arrive, international government transfers turn negative and remain negative into the second quarter. This improves the current account on the balance of payments. Actual expenditures are less than the pledges because so much material is "off the shelf." However, both defense durables (military equipment) and nondurables (ordnance and fuel) increase by more than $10 billion at annual rates in the first and second quarters. Equipment remains at that level for the remainder of the year. More than 200,000 reservists swell the armed forces, adding to payrolls. Also, substantial gains in veterans' benefits are assumed after the conflict ends. All these assumptions are contained in tables 4 and 5.
The Federal Reserve is expected to reduce the growth of liquidity once loan activity and the money stock begin to grow. By 1992, the Federal Reserve is expected to pursue a slightly restrictive policy, although serious interest rate increases are not likely until after the elections. Most of these assumptions are contained in table 6. Some easing of loan limitations is assumed, e.g. a partial write-off of questionable loans. Also, more capital is expected to be injected into banks because of the reduction of geographical limitations and the ability of nonbanks to own banks.

Some other assumptions are as follows:

a. **Barrels of imported oil are expected to fall by 0.4% in 1991 before rising 8.2% in 1992. Prices of imported oil are expected to average $19.74 per barrel in 1991 before rising modestly to $20.55 in 1992. No serious conservation measures, domestic production incentives, or additional taxes are assumed.**

b. **No changes are expected in the cost of living adjustments for government programs. Adjustments of only 3.4% are assumed for 1992. Government salaries are expected to increase 4% during each of the next two years.**

c. **The wage base for Social Security is assumed to be $54,200 in 1991 and $56,100 in 1992. The medicare tax will increase to $125,000 in 1991 and to $129,300 in 1992. No further changes in the tax treatment of benefits is assumed.**

d. **Minimum wage legislation is assumed to raise the minimum to $4.25 on April 1991. No further changes in the minimum is assumed.**

e. **World trade is expected to grow 4% in 1991 and 1992. European growth rates of 2% are expected during the next two years. Eastern Europe should decline nearly 4% in 1991 and grow less than 1% in 1992. Asia should grow about 4% in both years.**

f. **No further postal rate increases beyond the 29 cent rate established on February 3 are assumed in the forecast.**

g. **No major labor disruptions are assumed during the forecast period.**

h. **No war tax, capital gains, or other tax measures are assumed. No further sales from the strategic petroleum reserve are assumed past this first quarter. The federalism proposal of the president is not assumed.**

CONCLUSION

Employment is falling rapidly and personal income almost certainly declined in January. Capacity utilization is falling below 80%, which sometimes leads to reduced capital spending. Thus, **this recession is approaching a critical juncture**, where a second round of consumer reductions and the beginning of capital spending reductions elevate the downturn from a mild to a more severe affair. Also, any failings in the Persian Gulf crisis could further undermine consumer confidence. With financial institutions facing depleted capital because of investment write-offs, loan activity remains anemic. Even aggressive action by the Federal Reserve to remove reserve requirements on CDs and lower the discount rate twice have not yet generated an expenditures reaction. Thus, a moderate to moderately severe recession still cannot be ruled out.

However, **oil prices are falling and inflation is receding even faster than paychecks**. The government has indicated a willingness to protect depositors in insured financial institutions. A falling dollar has spurred exports even as the world economy grows more slowly. Even the war will provide some economic stimulus because a substantial portion of the effort is being paid by allies.

Also, much of the production decline is caused by a willingness to lower inventories as soon as sales fall. While this adjustment means a larger initial downward step in the recession, it also means a shorter and possibly shallower recession than if inventories lagged sales in a traditional recessionary manner. In addition, activity in autos and housing are far below long-run sustainable trends. This suggests that some rebound is likely soon.

To be sure, a serious financial crisis or an extended war could erase the forces that are adding to consumer purchasing power and maintaining sales abroad. Barring such an outcome, however, this recession should be mild with a recovery beginning before spring is over.

Inflation will remain modest, although not as modest later in the year as when oil prices are declining. Unemployment should rise to 6.6% early in 1992, for slightly smaller gains than during most recent recessions. Interest rates should fall through the spring before stabilizing in the second half of this year.

Considerable uncertainty still surrounds the forecast; but the worst fears of oil disruption, sharply higher inflation, and surging interest rates no longer is likely. For that reason, **this forecast tilts toward the conclusion that a short and shallow recession is likely.**

Table 1.

U. S. Expenditures in Current Dollars
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	3693.4	3728.1	3751.8	3786.2	3841.0	3898.3	3954.7	4023.4	4088.8	4154.9	6.0	4.4	6.2	3658.1	3819.3	4055.5
2. % Change(AR)	8.0	3.8	2.6	3.7	5.9	6.1	5.9	7.1	6.7	6.6						
3 Durable Goods	482.3	473.5	461.9	468.4	473.5	482.3	489.3	501.7	510.5	512.6	1.5	-2.1	6.8	481.6	471.5	503.5
4. Autos, Trucks & Parts	214.7	204.7	195.4	203.9	208.9	215.2	220.6	230.7	236.8	235.8	-1.0	-3.5	12.2	213.2	205.9	231.0
5. Other Durable Goods	267.6	268.8	266.5	264.5	264.6	267.1	268.7	271.0	273.7	276.8	3.6	-1.0	2.6	268.4	265.7	272.6
6. Nondurable Goods	1205.0	1218.3	1218.1	1212.7	1221.8	1236.6	1249.3	1265.5	1281.4	1299.4	5.7	2.3	4.2	1194.3	1222.3	1273.9
7. Services	2006.2	2036.3	2071.8	2105.1	2145.7	2179.4	2216.1	2256.2	2296.9	2342.9	7.4	7.2	7.2	1982.3	2125.5	2278.0
8. Pers Cons less Services	1687.2	1691.8	1680.0	1681.1	1695.3	1718.9	1738.6	1767.2	1791.9	1812.0	4.4	1.1	4.9	1675.8	1693.8	1777.4
9. % Change(AR)	7.4	1.1	-2.8	0.3	3.4	5.7	4.7	6.7	5.7	4.6						
10. Pvt Domestic Invstment	759.7	714.0	698.3	699.4	725.2	729.8	740.7	749.9	766.4	777.4	-3.4	-4.3	6.4	745.0	713.2	758.6
11. Residential Structures	217.9	208.6	195.0	191.0	196.6	201.5	204.3	206.5	213.7	217.8	-3.5	-12.0	7.4	222.9	196.0	210.6
12. Other Structures	149.8	142.8	138.9	137.4	136.6	135.3	136.2	137.3	138.0	139.5	0.6	-6.9	0.5	147.2	137.1	137.8
13. Producer's Durables	383.0	382.2	376.8	371.3	375.6	376.7	378.4	382.6	386.6	390.6	3.1	-0.6	2.5	377.2	375.1	384.6
14. Change in Inventories	9.0	-19.5	-12.4	-0.3	16.4	16.3	21.8	23.5	28.1	29.5				-2.2	5.0	25.7
15. Chg in Nonfarm Inv	6.8	-21.6	-18.8	-1.6	17.5	14.2	15.3	22.4	29.8	24.8				-4.7	2.8	23.1
16. Net Exports	-41.3	-55.9	-35.2	-13.6	-6.7	-6.3	4.1	1.0	6.8	6.7				-38.0	-15.5	4.7
17. Exports	672.7	687.7	697.4	703.5	720.3	732.0	759.2	767.1	785.0	802.9	7.0	6.4	9.1	670.4	713.3	778.6
18. Imports	714.1	743.7	732.6	717.1	727.0	738.3	755.1	766.1	778.2	796.2	5.4	2.9	6.2	708.4	728.8	773.9
19. Government Purchases	1102.8	1132.7	1152.7	1173.6	1177.7	1182.6	1196.1	1209.9	1226.1	1236.3	7.1	6.7	3.9	1098.0	1171.7	1217.1
20. Federal Purchases	425.8	438.5	453.8	464.9	458.0	451.6	454.7	457.9	461.8	459.5	6.1	7.7	0.3	424.2	457.1	458.5
21. Defense	312.6	326.5	344.9	349.8	337.7	332.4	333.1	331.0	331.9	332.4	4.3	8.7	-2.7	314.0	341.2	332.1
22. Nondefense	113.2	112.0	108.9	115.1	120.3	119.2	121.6	126.9	129.9	127.1	11.4	5.1	9.1	110.2	115.9	126.4
23. State and Local	677.0	694.2	698.9	708.7	719.7	731.0	741.4	752.0	764.3	776.8	7.7	6.0	6.2	673.9	714.6	758.6
24. Gross National Product	5514.6	5518.9	5567.6	5645.6	5737.2	5804.4	5895.6	5984.2	6088.1	6175.3	5.0	4.1	6.1	5463.1	5688.7	6035.8
25. Net Change(amount)	71.3	4.3	48.7	78.0	91.6	67.2	91.2	88.6	103.9	87.2				57.4	71.4	92.7
26. % Change(curr$, AR)	5.3	0.3	3.6	5.7	6.7	4.8	6.7	6.1	7.1	5.9				5.0	4.1	6.1
27. Gross Natl Product(82$)	4170.0	4147.6	4126.1	4145.7	4173.9	4188.7	4216.9	4238.8	4273.7	4289.9	0.9	0.1	2.3	4155.8	4158.6	4254.8
28. % Change(1982$, AR)	1.4	-2.1	-2.1	1.9	2.7	1.4	2.7	2.1	3.3	1.5				0.9	0.1	2.3
29. Implicit Price Deflator	132.2	133.1	134.9	136.2	137.4	138.6	139.8	141.2	142.5	143.9	4.1	4.1	3.7	131.5	136.8	141.9
30. % Change(AR)	3.7	2.8	5.6	3.8	3.7	3.5	3.5	4.0	3.6	4.1				4.1	4.1	3.7
31. Final Sales(curr$)	5505.6	5538.4	5580.0	5645.9	5720.8	5788.1	5873.8	5960.7	6060.0	6145.8	5.7	4.0	5.7	5465.3	5683.7	6010.1
32. Net Change from Prev	75.7	32.8	41.6	65.9	74.9	67.3	85.7	86.9	99.3	85.8						
33. Final Sales(1982$)	4165.3	4163.9	4136.2	4145.5	4158.9	4177.4	4200.9	4221.3	4251.1	4268.0	1.5	-0.1	1.9	4156.9	4154.5	4235.3

Table 2.

U. S. Real Expenditures
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	2696.8	2675.8	2670.9	2682.2	2697.8	2713.4	2726.1	2745.3	2763.4	2774.5	1.0	0.3	2.3	2682.2	2691.1	2752.3
2. % Change(1982$, AR)	2.7	-3.1	-0.7	1.7	2.3	2.3	1.9	2.8	2.7	1.6						
3. Durable Goods	429.5	419.9	409.4	413.2	415.7	421.3	425.3	434.2	439.2	438.2	0.1	-3.2	4.7	428.5	414.9	434.2
4. Autos, Trucks & Parts	179.6	170.0	161.8	167.7	171.0	175.5	178.9	185.8	189.9	187.9	-2.0	-5.0	9.8	177.8	169.0	185.6
5. Other Durable Goods	249.9	249.9	247.6	245.5	244.7	245.8	246.4	248.4	249.3	250.3	1.7	-1.9	1.1	250.6	245.9	248.6
6. Nondurable Goods	916.4	902.8	901.2	902.5	904.8	909.0	909.8	911.6	916.1	918.5	-0.9	-0.8	1.1	911.5	904.4	914.0
7. Services	1350.8	1353.1	1360.3	1366.5	1377.3	1383.1	1391.0	1399.5	1408.1	1417.8	2.5	2.2	2.4	1342.2	1371.8	1404.1
8. Pvt Domestic Investment	697.0	662.8	648.0	647.3	668.4	668.9	674.7	680.6	692.5	698.2	-3.7	-4.7	4.3	690.3	658.2	686.5
9. Residential Structures	173.0	165.9	155.6	152.3	156.3	160.3	161.5	162.5	166.8	168.6	-5.1	-12.0	5.6	177.5	156.1	164.9
10. Other Structures	122.4	117.0	113.4	111.6	110.5	109.4	109.5	109.8	109.8	110.7	-1.1	-8.1	-1.1	121.0	111.2	110.0
11. Producer's Durables	397.0	396.3	389.1	383.2	386.4	387.9	387.7	390.8	393.3	397.0	2.4	-1.6	1.4	392.9	386.7	392.2
12. Change in Inventories	4.7	-16.3	-10.1	0.2	15.2	11.3	16.0	17.5	22.6	21.9				-1.1	4.2	19.5
13. Chg in Nonfarm Inv	4.7	-19.8	-14.3	-0.4	15.8	9.9	11.6	16.7	23.8	17.8				-2.9	2.8	17.5
14. Net Exports	-46.5	-23.6	-27.7	-32.3	-35.9	-32.9	-21.0	-22.5	-20.0	-18.9				-37.5	-32.2	-20.6
15. Exports	630.5	642.4	646.9	651.3	664.5	671.6	692.7	694.8	705.3	715.6	6.2	4.5	6.6	630.3	658.6	702.1
16. Imports	677.0	666.0	674.6	683.6	700.4	704.5	713.7	717.3	725.3	734.5	3.1	3.4	4.6	667.8	690.8	722.7
17. Government Purchases	822.7	832.5	834.9	848.5	843.6	839.3	837.1	835.4	837.8	836.1	2.8	2.5	-0.6	820.8	841.6	836.6
18. Federal Government	346.0	351.1	354.6	364.9	357.1	350.8	347.4	344.2	344.7	341.1	2.7	3.7	-3.5	344.0	356.9	344.4
19. Federal Purchases	218.6	223.3	226.1	235.8	228.9	222.9	219.4	216.3	216.9	213.5	3.8	5.6	-5.2	216.4	228.4	216.5
20. Value Added	127.4	127.8	128.5	129.1	128.2	127.9	128.0	127.9	127.8	127.6	0.9	0.6	-0.5	127.6	128.4	127.8
21. State and Local Govt	476.7	481.4	480.3	483.6	486.5	488.5	489.7	491.2	493.1	495.0	2.9	1.7	1.6	476.9	484.7	492.3
22. State & Local Purch.	214.0	217.8	216.4	218.3	220.0	221.0	221.5	221.8	222.8	223.5	4.2	1.9	1.6	214.8	218.9	222.4
23. Value Added	262.7	263.6	263.9	265.3	266.5	267.5	268.2	269.4	270.3	271.5	2.0	1.4	1.5	262.1	265.8	269.9
24. Gross National Product	4170.0	4147.6	4126.1	4145.7	4173.9	4188.7	4216.9	4238.8	4273.7	4289.9	0.9	0.1	2.3	4155.8	4158.6	4254.8
25. % Change(1982$, AR)	1.4	-2.1	-2.1	1.9	2.7	1.4	2.7	2.1	3.3	1.5						
26. Final Sales Demand	4165.3	4163.9	4136.2	4145.5	4158.7	4177.4	4200.9	4221.3	4251.1	4268.0	1.5	-0.1	1.9	4156.9	4154.5	4235.3
27. % Change(1982$, AR)	1.9	-0.1	-2.6	0.9	1.3	1.8	2.3	2.0	2.9	1.6						

Table 3.

Income Related U. S. Gross National Product Components
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Compensation of Employees	3276.9	3286.9	3318.7	3361.7	3409.7	3457.6	3517.1	3573.4	3637.9	3700.4	5.4	4.4	6.5	3244.2	3386.9	3607.2
2. Wages & Salaries	2734.2	2739.1	2762.1	2798.6	2838.6	2878.3	2927.5	2975.2	3029.8	3082.9	5.1	4.2	6.5	2705.3	2819.4	3003.9
3. Manufacturing Ind	551.8	545.6	540.1	543.6	548.9	555.0	559.9	567.8	574.8	581.0	0.9	0.0	4.4	546.7	546.9	570.9
4. Other Producing Ind	183.5	180.0	173.6	175.2	177.3	180.5	182.1	183.8	187.6	191.3	2.1	-3.2	5.4	182.5	176.7	186.2
5. Distributive Industry	642.7	641.5	641.5	656.0	665.8	675.7	685.6	696.5	708.7	719.3	5.4	3.6	6.5	637.1	659.8	702.5
6. Service Industry	844.9	853.9	870.4	885.0	901.9	917.5	939.2	959.8	984.4	1010.4	7.7	7.5	8.9	831.0	893.7	973.5
7. Military Compensation	82.4	83.4	90.2	92.9	90.6	88.6	91.6	91.2	90.9	90.2	4.7	9.8	0.4	82.5	90.6	91.0
8. Other Government	428.9	434.7	439.6	445.9	454.1	461.0	469.1	476.1	483.4	490.7	7.0	5.8	6.6	425.5	450.2	479.8
9. Supplements to W & S	542.7	547.8	556.6	563.1	571.1	579.3	589.6	598.2	608.1	617.5	6.5	5.3	6.3	538.9	567.5	603.4
10. Proprietors Income	397.9	406.1	407.7	414.4	421.0	419.1	422.5	426.5	428.5	433.4	6.1	3.3	2.9	402.4	415.6	427.7
11. Business & Professional	355.6	357.2	359.5	362.8	367.2	371.6	375.8	379.2	383.4	388.1	6.6	3.6	4.5	352.6	365.3	381.6
12. Farm Proprietors	42.4	48.9	48.2	51.6	53.8	47.5	46.7	47.3	45.1	45.3	2.7	0.7	-8.3	49.9	50.3	46.1
13. Rental Income	8.4	8.5	6.4	6.8	8.7	9.0	9.3	9.0	8.2	8.3	-18.8	15.7	12.6	6.7	7.7	8.7
14. Net Interest	468.3	470.2	472.7	473.5	479.8	486.3	496.9	504.8	516.3	526.7	4.9	2.4	6.9	467.1	478.1	511.2
15. Corporate Profits(adj)	300.7	273.4	268.8	283.8	302.0	310.1	313.4	319.1	329.4	334.7	-5.5	-1.1	11.3	294.4	291.2	324.2
16. National Income	4452.4	4445.1	4474.3	4540.2	4621.2	4682.1	4759.2	4832.8	4920.3	5003.5	4.5	3.7	6.5	4414.8	4579.5	4879.0
17. Indirect Business Tax	444.9	451.9	457.3	462.2	468.6	476.0	483.2	491.6	499.5	507.1	6.4	5.8	6.3	440.4	466.0	495.4
18. Capital Consumption Adj	38.6	41.9	43.6	45.3	48.0	47.8	49.9	51.3	52.6	53.6				35.2	46.2	51.9
19. Capital Cons. Allowance	540.7	543.3	546.6	550.7	555.6	561.2	566.4	571.2	576.3	580.9	-0.3	2.4	3.6	540.5	553.5	573.7
20. Business Transfers	35.4	36.0	36.6	37.3	38.0	38.6	39.3	40.0	40.7	41.5	8.2	7.3	7.3	35.1	37.6	40.4
21. Net Govt Subsidies	-7.5	5.3	8.6	2.4	-7.1	2.6	5.5	-2.0	-7.4	-2.0				2.5	1.6	-1.5
22. Statistical Descrepancy	-3.7	-4.6	0.6	7.5	12.9	-3.9	-7.9	-0.7	6.1	-8.8				-2.6	4.3	-2.8
23. Gross National Product	5514.6	5518.9	5567.6	5645.6	5737.2	5804.4	5895.6	5984.2	6088.1	6175.3	5.0	4.1	6.1	5463.1	5688.7	6035.8

Table 4.

Derivation of U. S. Personal Income
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. National Income	4452.4	4445.1	4474.3	4540.2	4621.2	4682.1	4759.2	4832.8	4920.3	5003.5	4.5	3.7	6.5	4414.8	4579.5	4879.0
Less:																
2. Adj. Corporate Profits	300.7	273.4	268.8	283.8	302.0	310.1	313.4	319.1	329.4	334.7	-5.5	-1.1	11.3	294.4	291.2	324.2
3. Social Insurance	511.3	513.6	525.0	529.6	537.2	546.0	561.5	569.1	579.8	590.7	6.3	5.4	7.6	506.9	534.5	575.3
Plus:																
4. Government Transfers	661.0	678.3	706.1	714.6	725.6	742.0	766.6	774.7	782.3	794.5	9.1	9.5	8.0	659.5	722.1	779.5
5. Social Security, etc	351.1	356.8	371.4	373.9	378.6	385.1	398.2	401.6	406.5	412.1	7.8	7.6	7.2	350.7	377.3	404.6
6. Unemployment Benefits	18.2	20.7	23.4	23.7	23.9	25.9	26.3	26.3	24.5	24.6	23.7	33.7	5.0	18.1	24.2	25.4
7. Veterans Benefits	17.9	18.0	18.6	20.4	22.1	22.6	23.5	24.1	24.3	24.6	3.5	16.7	15.3	17.9	20.9	24.1
8. Employees Retirement	96.9	98.4	102.5	102.8	103.4	105.3	109.4	109.8	110.4	112.1	7.5	6.9	6.7	96.9	103.5	110.4
9. A. F. D. C.	19.9	20.3	20.8	21.2	21.5	21.8	22.5	22.8	22.9	23.1	9.9	8.1	7.0	19.7	21.3	22.8
10. Other Govt Transfers	157.0	164.1	169.4	172.6	176.1	181.3	186.7	190.1	193.7	198.5	12.2	12.0	10.0	156.2	174.9	192.3
11. Business Transfers	35.4	36.0	36.6	37.3	38.0	38.6	39.3	40.0	40.7	41.5	8.2	7.3	7.3	35.1	37.6	40.4
12. Interest Transfers	216.9	219.9	219.5	219.2	216.2	218.5	219.7	224.8	227.3	233.2	8.0	2.1	3.6	213.9	218.4	226.3
13. Personal Dividends	124.9	126.7	128.1	129.5	130.9	132.4	134.1	135.9	137.7	139.6	8.1	5.2	5.1	123.8	130.2	136.8
Equals:																
14. Personal Income	4678.5	4719.0	4769.9	4827.4	4892.7	4957.5	5043.9	5120.0	5199.1	5286.9	6.0	4.7	6.2	4645.6	4861.9	5162.5
Less:																
15. Personal Tax Payments	709.5	718.1	717.2	739.7	746.1	758.7	750.6	788.1	797.4	814.0	6.2	5.8	6.4	699.8	740.4	787.5
Equals:																
16. Personal Disposable Inc	3969.1	4000.9	4052.7	4087.7	4146.6	4198.8	4293.3	4331.9	4401.7	4472.9	5.9	4.5	6.2	3945.9	4121.5	4375.0
Less:																
17. Personal Consumption	3693.4	3728.1	3751.8	3786.2	3841.0	3898.3	3954.7	4023.4	4088.8	4154.9	6.0	4.4	6.2	3658.1	3819.3	4055.5
18. Other Outlays	109.2	109.4	109.6	109.6	110.7	111.3	111.5	111.8	113.2	114.1	4.9	1.5	2.1	108.7	110.3	112.7
Equals:																
19. Personal Savings	166.5	163.5	191.3	191.9	194.9	189.2	227.1	196.7	199.7	203.9	4.2	7.1	7.8	179.1	191.8	206.9
20. Savings Rate(%, AR)	4.2	4.1	4.7	4.7	4.7	4.5	5.3	4.5	4.5	4.6	-1.6	2.2	1.6	4.6	4.7	4.7

Table 5.

U. S. Federal Government Activity
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Government Receipts	1125.9	1131.3	1137.9	1156.8	1173.8	1204.3	1211.8	1253.8	1269.1	1294.1	5.5	5.2	7.6	1110.9	1168.2	1257.2
2. Personal Tax & Nontax	500.0	507.1	505.4	524.6	526.6	536.2	524.6	557.6	561.3	573.4	6.3	6.1	5.9	493.2	523.2	554.2
3. Corporate Profits Tax	114.2	107.1	101.9	97.9	106.2	119.2	123.6	126.1	128.3	131.3	-1.1	-2.7	19.8	109.3	106.3	127.3
4. Indirect Business Tax	61.0	64.9	68.2	68.6	69.0	69.3	69.7	70.2	70.6	71.1	5.7	11.4	2.4	61.8	68.8	70.4
5. Social Security Contr	450.6	452.2	462.4	465.7	472.0	479.6	493.9	499.9	508.9	518.3	6.3	5.2	7.5	446.7	469.9	505.3
6. Government Expenditures	1271.6	1300.0	1330.9	1352.2	1359.3	1385.0	1416.5	1427.2	1430.9	1457.1	7.2	6.6	5.6	1273.0	1356.9	1432.9
7. Purchases of Goods and Services	425.8	438.5	453.8	464.9	458.0	451.6	454.7	457.9	461.8	459.5	6.1	7.7	0.3	424.2	457.1	458.5
8. Defense	312.6	326.5	344.9	349.8	337.7	332.4	333.1	331.0	331.9	332.4	4.3	8.7	-2.7	314.0	341.2	332.1
9. Durables	86.6	89.3	93.4	95.6	93.0	91.1	88.7	86.5	86.9	87.5	3.9	11.0	-6.3	84.1	93.3	87.4
10. Nondurables	11.9	18.8	20.2	18.4	13.3	12.8	12.5	12.7	13.0	13.2	25.1	23.7	-20.6	13.1	16.2	12.9
11. Military Payroll	82.4	83.4	90.2	92.4	90.6	88.6	91.6	91.2	90.4	90.2	4.7	9.6	0.4	82.5	90.5	90.9
12. Civilian Payroll	41.9	42.2	43.4	43.1	43.3	43.6	44.9	45.1	45.0	45.1	4.1	3.6	3.9	41.8	43.4	45.0
13. Other Services	83.2	86.4	91.4	93.8	91.1	89.8	88.7	88.9	89.4	89.6	2.0	6.4	-2.6	86.0	91.5	89.2
14. Structures	6.6	6.3	6.3	6.5	6.4	6.5	6.7	6.6	6.7	6.8	0.4	-0.4	4.3	6.5	6.4	6.7
15. Nondefense	113.2	112.0	108.9	115.1	120.3	119.2	121.8	126.9	129.9	127.1	11.4	5.1	9.1	110.2	115.9	126.4
16. Durables	5.8	5.8	5.9	6.1	6.2	6.4	6.5	6.5	6.6	6.8	6.1	8.8	7.3	5.7	6.2	6.6
17. Nondurables	7.2	5.5	-0.7	4.3	8.6	5.8	4.5	8.6	10.4	6.8				4.6	4.5	7.6
18. CCC Inventory Chg	0.4	-0.3	-3.2	-1.5	2.3	-1.1	-2.6	1.3	2.8	-1.0				-2.2	-0.9	0.1
19. Other Nondurables	6.8	5.9	2.5	5.8	6.3	6.9	7.1	7.3	7.6	7.8	0.4	-20.4	38.6	6.8	5.4	7.5
20. Compensation	54.1	54.0	56.6	57.0	57.2	57.9	60.9	61.5	61.7	61.8	9.2	5.7	7.5	54.1	57.2	61.5
21. Other Services	38.1	37.9	38.6	39.3	39.7	40.2	40.6	41.7	41.7	42.4	5.6	4.9	5.4	37.6	39.5	41.6
22. Structures	8.1	8.7	8.5	8.4	8.6	8.9	9.1	9.2	9.5	9.3	18.1	3.6	7.8	8.3	8.6	9.3
23. Transfer Payments	513.2	509.7	518.2	532.5	557.4	573.2	591.1	596.4	596.4	608.1	7.9	7.1	9.7	509.2	545.3	598.0
24. Grants-In-Aid to State and Local Govt	129.8	132.6	136.5	139.3	140.0	143.3	148.1	150.8	151.5	154.9	10.5	7.0	8.3	130.6	139.8	151.3
25. Net Interest Paid	189.8	193.1	192.8	191.8	189.3	192.4	194.8	201.4	205.4	213.0	8.3	2.8	6.3	186.3	191.6	203.7
26. Deficit of Government Enterprises	13.1	26.1	29.6	23.7	14.6	24.5	27.8	20.7	15.8	21.6	-8.8	1.2	-7.0	22.8	23.1	21.5
27. Federal Surplus	-145.7	-168.7	-193.0	-195.4	-185.5	-180.7	-204.7	-173.4	-161.8	-163.0	20.8	16.3	-6.9	-162.2	-188.7	-175.7
28. State and Local Surplus	39.3	24.7	22.5	19.9	20.2	22.5	25.3	28.9	30.5	32.0	-24.3	-39.5	37.1	35.2	21.3	29.2
29. Total Government Surplus	-106.4	-144.0	-170.5	-175.5	-165.3	-158.2	-179.4	-144.5	-131.3	-131.0	44.6	31.8	-12.4	-127.0	-167.4	-146.6
30. Federal Debt held by Individuals	2247.8	2305.0	2409.7	2449.6	2535.7	2590.6	2684.6	2709.5	2779.2	2815.1	9.2	13.4	10.0	2200.9	2496.4	2747.1

Table 6.

Selected Economic Variables in the U. S. Economy
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
PRICES																
1. Consumer Price Index	131.6	133.9	134.6	135.0	136.0	137.2	138.5	140.0	141.3	143.1	5.4	3.8	3.7	130.7	135.7	140.7
2. % Change (AR)	7.1	7.2	2.2	1.2	3.0	3.6	3.8	4.4	3.8	5.2						
3. PPI - Indust. Commodities	115.8	120.3	117.2	115.8	116.3	117.6	118.6	120.0	120.5	121.9	3.7	0.8	3.0	115.7	116.7	120.3
4. % Change (AR)	9.3	16.3	-9.8	-4.7	1.7	4.5	3.4	4.8	1.7	4.7						
5. PPI - Finished Goods	119.1	122.5	121.7	120.7	120.9	121.8	122.8	124.2	124.8	126.2	5.0	1.8	2.7	119.2	121.3	124.5
6. % Change (AR)	5.9	11.7	-2.5	-3.2	0.7	3.0	3.3	4.6	1.9	4.6						
CORPORATE ECONOMY																
7. After Tax Profits	179.4	166.0	158.0	155.8	168.1	183.4	185.2	188.1	190.1	195.7	-1.7	-2.0	14.1	169.7	166.3	189.8
8. Inventory Profits	-19.8	-21.2	-9.4	13.9	11.1	-12.9	-16.0	-15.7	-9.9	-13.6				-13.2	0.7	-13.8
9. Genuine Profits	161.6	143.4	145.5	165.5	173.4	165.0	163.3	165.6	173.1	174.8	-8.6	0.6	4.2	161.4	162.4	169.2
10. Dow-Jones Index - Mean Closing	2724.1	2528.0	2746.3	2982.5	2916.6	2778.4	2674.9	2746.9	3049.6	3167.4	6.8	6.6	1.9	2678.9	2856.0	2909.7
11. New York Composite Index - Mean Closing	183.86	173.20	190.63	201.46	198.82	184.63	180.35	181.56	198.63	202.17	1.9	5.7	-1.7	1808.2 183.47	1827.9 193.89	1822.1 190.68
FINANCIAL																
12. Monetary Base	312.8	319.0	333.1	339.8	345.0	349.7	354.3	359.8	365.8	371.3	6.5	10.4	6.1	309.7	341.9	362.8
13. Checkable Deposits	577.7	577.8	574.5	578.0	586.0	591.6	599.4	611.7	623.3	633.5	1.8	1.1	5.9	576.3	582.5	617.0
14. M1	816.1	822.7	826.3	836.6	850.1	860.3	872.6	889.4	905.4	920.5	3.6	3.9	6.4	811.6	843.3	897.0
15. Velocity of M1	6.758	6.708	6.738	6.748	6.749	6.747	6.756	6.728	6.724	6.709	1.4	0.2	-0.2	6.731	6.746	6.729
16. M2	3301.2	3320.2	3327.6	3367.6	3422.7	3471.3	3528.0	3592.4	3655.4	3713.4	5.0	3.3	6.6	3287.4	3397.3	3622.3
17. Velocity of M2	1.670	1.662	1.673	1.676	1.676	1.672	1.671	1.666	1.666	1.663	0.0	0.8	-0.5	1.662	1.674	1.666
INTEREST RATES																
18. Federal Funds Rate	8.16	7.74	6.34	5.73	5.89	6.07	6.15	6.28	6.23	6.69	-12.1	-25.8	5.5	8.10	6.01	6.34
19. Prime Rate	10.00	10.00	9.26	8.72	8.50	8.50	8.84	9.00	9.00	9.28	-7.9	-12.6	3.3	10.01	8.75	9.03
20. 3 Month Treasury Bill	7.48	6.99	6.11	5.62	5.81	6.02	6.09	6.15	6.07	6.52	-7.6	-21.4	5.4	7.49	5.89	6.21
21. 6 Month Treasury Bill	7.41	6.96	6.06	5.60	5.90	6.18	6.30	6.42	6.21	6.73	-7.2	-20.4	8.1	7.45	5.94	6.42
22. 1 Year Treasury Bond	7.83	7.30	6.43	5.96	6.34	6.61	6.78	6.92	6.43	7.06	-7.6	-19.6	7.3	7.88	6.34	6.80
23. 7 Year Treasury Bond	8.80	8.55	7.59	7.09	7.56	7.69	7.75	7.88	7.63	8.15	1.9	-13.1	4.9	8.61	7.48	7.85
24. 30 Year Treasury Bond	8.63	8.29	7.84	7.53	7.71	8.02	8.11	8.29	8.15	8.51	-0.1	-8.7	6.3	8.52	7.78	8.27
25. Seasoned AAA Corps	9.40	9.29	8.96	8.76	8.89	9.07	9.20	9.34	9.22	9.48	0.7	-4.3	4.4	9.32	8.92	9.31
26. FHA Mortgage Rate	10.11	9.95	9.64	9.37	9.56	9.84	10.01	10.12	9.96	10.31	-1.9	-5.2	5.2	10.13	9.60	10.10
ADDITIONAL INDICATORS																
27. Housing Starts	1143	1052	969	1009	1048	1089	1094	1132	1184	1160	-12.5	-15.2	11.1	1213	1029	1143
28. Single Family Starts	864	794	751	783	811	838	835	856	891	886	-10.0	-12.5	9.0	909	796	867
29. Multiple Family Starts	279	259	218	226	237	251	259	276	293	274	-19.1	-23.5	18.2	305	233	276
30. Unit Auto Sales	9.73	8.93	8.22	8.67	8.93	9.28	9.52	10.02	10.27	10.09	-4.1	-7.6	13.7	9.50	8.78	9.98
31. Industry Production Indx	110.5	108.0	106.1	106.6	108.3	109.0	109.5	110.3	111.4	111.5	0.9	-1.4	3.0	109.1	107.5	110.7
32. Capacity Utilization	83.6	80.9	79.2	78.9	79.5	79.5	79.3	79.4	79.7	79.4	-1.7	-4.2	0.2	82.8	79.3	79.5

Table 7.

U. S. Foreign Trade Accounts
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
MERCHANDISE TRADE (Seasonally Adjusted Annual Rates)																
1. Merchandise Exports (fas)	387074	411736	412520	423580	428320	440930	453720	464880	470440	486630	8.6	7.9	10.0	394971	426338	468918
2. Food, Feed & Beverages	34509	33710	32470	33160	33860	34120	34950	35620	36260	36850	-4.0	-6.4	7.5	35704	33403	35920
3. Ind. Supplies & Mat'ls	101876	116755	116940	119620	120440	122620	124430	126610	128960	131820	5.9	14.1	6.7	105127	119905	127955
4. Capital Goods exc Autos	151621	153106	154620	159430	162270	164110	169520	174420	175420	179630	9.8	5.1	9.1	152343	160108	174748
5. Automotive Goods	35040	39103	37840	38250	36910	40160	42510	43620	42940	46480	6.2	3.5	14.6	36998	38290	43888
6. Consumer Goods ex Autos	42732	46436	47630	49880	50730	54660	55890	58030	59130	62490	19.4	16.6	16.1	43497	50725	58885
7. Other Merchandise	21296	22627	23020	23240	24110	25260	26420	26580	27730	29360	23.5	12.2	15.1	21301	23908	27523
8. Merchandise Imports (cv)	498202	535876	513512	502744	502365	514812	519955	530570	532279	549805	5.6	1.7	4.9	499865	508358	533152
9. Food, Feed & Beverages	25091	25655	26420	26180	25760	26320	26950	27220	26640	26990	5.6	-1.1	3.0	26473	26170	26950
10. Ind. Supplies & Mat'ls	142814	165964	148402	143084	142455	145382	148845	154220	151279	160145	9.6	-0.1	6.1	144989	144831	153622
11. Capital Goods exc Autos	116907	124313	121670	119760	118460	121260	120930	123220	122980	129460	4.0	2.0	3.2	117884	120288	124148
12. Automotive Goods	89304	90436	87680	85920	86640	87610	89440	90560	91820	90720	1.6	-0.6	4.2	87512	86963	90635
13. Consumer Goods ex Autos	107102	112004	111660	109670	110430	114680	113930	115120	118720	120630	3.6	4.8	4.9	106538	111610	117100
14. Other Merchandise	16984	17505	17680	18130	18620	19560	19860	20230	20840	21860	21.1	12.3	11.9	16469	18498	20698
CRUDE ENERGY-RELATED PETROLEUM IMPORTS (Annual Rates Not Seasonally Adjusted)																
15. - Cost in $(millions)	59897.3	81200.9	63450.0	59084.0	56255.0	58732.0	61952.0	65720.0	61279.0	68145.0	27.4	-4.8	8.2	62356.6	59380.3	64274.0
16. - Barrels(millions)	3100.3	2778.7	2973.3	3011.4	3026.1	3024.3	3071.5	3113.2	3118.5	3202.3	3.7	-0.4	3.9	3021.0	3008.8	3126.4
17. - Cost in Dollars/Bbl	19.32	29.22	21.34	19.62	18.59	19.42	20.17	21.11	19.65	21.28	24.2	-5.3	4.1	20.84	19.74	20.55
FOREIGN TRANSACTIONS (Seasonally Adjusted Annual Rates)																
18. Total Exports	672.7	687.7	697.4	703.5	720.3	732.0	759.2	767.1	785.0	802.9	7.0	6.4	9.1	670.4	713.3	778.6
19. Mdse Exports	393.5	408.8	421.5	423.6	434.3	440.9	462.7	464.9	476.4	486.6	7.5	8.1	9.9	397.9	430.1	472.7
20. Factor Income	139.6	138.1	135.9	137.2	140.2	141.8	173.7	146.3	149.5	153.5	0.4	2.2	12.2	135.7	138.8	155.8
21. Other Services	139.7	140.8	140.0	142.7	145.8	149.3	152.8	155.9	159.1	162.8	13.0	5.6	9.1	136.8	144.5	157.7
22. Total Imports	714.1	743.7	732.6	717.1	727.0	738.3	755.1	766.1	778.2	796.2	5.4	2.9	6.2	708.4	728.8	773.9
23. Mdse Imports	508.1	531.8	523.5	507.7	512.4	519.8	530.0	535.6	542.3	554.8	5.1	2.1	4.8	505.5	515.9	540.7
24. Factor Income	96.7	99.9	96.8	95.8	97.9	99.7	103.6	106.7	109.6	112.6	-0.5	0.4	10.8	97.2	97.6	108.1
25. Other Services	109.2	112.0	112.3	113.6	116.7	118.8	121.5	123.8	126.3	128.8	12.8	9.0	8.5	105.8	115.4	125.1
26. Net Transfer Payments	18.3	2.1	-12.8	-3.1	15.9	20.7	19.1	20.2	16.8	21.1	-9.0	-61.5	272.9	13.5	5.2	19.3
27. Government Interest	39.0	39.3	39.5	39.2	39.8	40.8	42.1	43.6	45.2	47.0	7.5	3.0	11.7	38.7	39.8	44.5
28. Net Foreign Investment	-98.7	-97.3	-61.9	-49.7	-62.4	-67.8	-57.1	-62.8	-55.0	-61.4	-6.9	-32.9	-2.3	-90.1	-60.5	-59.1
29. Trade Weighted Value of Dollar (3/73 = 100)	87.44	82.97	79.56	77.84	79.46	81.23	83.78	85.62	86.61	86.69	-9.6	-10.7	7.7	89.0	79.5	85.7

Table 8.

Personal Consumption Expenditure Implicit Price Deflators
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Durable Goods	112.3	112.8	112.8	113.4	113.9	114.5	115.0	115.5	116.2	117.0	1.4	1.1	2.0	112.4	113.6	116.0
2. Percent Change(AR)	0.7	1.7	0.2	1.9	1.9	2.0	2.0	1.7	2.4	2.6						
3. Automobiles	119.5	120.4	120.8	121.6	122.2	122.6	123.3	124.2	124.7	125.5	0.9	1.6	2.2	119.9	121.8	124.4
4. Percent Change(AR)	0.3	2.9	1.2	2.7	1.9	1.5	2.3	2.8	1.7	2.6						
5. Furniture	98.2	98.3	98.2	97.9	98.0	98.2	98.3	97.9	98.2	98.6	0.4	-0.3	0.2	98.3	98.1	98.2
6. Percent Change(AR)	-0.2	0.6	-0.5	-1.2	0.4	0.7	0.5	-1.8	1.4	1.6						
7. Other Durables	129.9	130.4	131.3	132.5	133.6	134.8	136.0	137.4	138.8	140.6	5.5	2.9	3.9	129.2	133.0	138.2
8. Percent Change(AR)	1.5	1.4	2.8	3.8	3.4	3.6	3.9	4.0	4.2	5.3						
9. Nondurables	131.5	134.9	135.2	134.4	135.0	136.0	137.3	138.8	139.9	141.5	6.7	3.1	3.1	131.0	135.2	139.4
10. Percent Change(AR)	6.7	10.9	0.6	-2.3	2.0	3.0	3.8	4.5	3.1	4.6						
11. Food	137.1	138.7	141.6	142.2	143.2	144.1	145.3	146.8	148.2	149.8	6.2	4.5	3.3	136.6	142.8	147.5
12. Percent Change(AR)	4.1	4.9	8.5	1.7	2.9	2.5	3.4	4.2	3.9	4.4						
13. Apparel	123.7	124.0	124.8	125.9	125.9	126.4	127.5	128.9	128.6	129.9	4.3	1.8	2.4	123.5	125.7	128.7
14. Percent Change(AR)	-1.2	0.8	2.6	3.6	0.0	1.5	3.5	4.5	-0.9	4.0						
15. Gasoline and Oil	99.6	115.7	103.5	90.6	90.1	91.4	92.5	93.9	94.5	95.6	14.1	-5.1	0.2	99.0	93.9	94.1
16. Percent Change(AR)	49.9	82.2	-35.9	-41.3	-2.1	6.0	4.7	6.1	2.7	4.5						
17. Fuel Oil	93.3	116.1	100.5	89.0	86.5	88.5	90.6	91.1	90.7	92.2	21.2	-6.5	0.0	97.5	91.1	91.1
18. Percent Change(AR)	43.4	139.2	-43.7	-38.7	-10.5	9.6	9.5	2.5	-2.0	7.1						
19. Other Nondurables	146.9	148.6	149.8	151.1	152.3	154.2	155.7	157.5	159.4	161.3	5.6	4.3	4.3	145.7	151.9	158.5
20. Percent Change(AR)	5.6	4.6	3.3	3.4	3.8	4.5	4.1	4.5	4.9	4.9						
21. Services	148.5	150.5	152.3	154.1	155.8	157.6	159.3	161.2	163.1	165.2	4.7	4.9	4.7	147.7	154.9	162.2
22. Percent Change(AR)	5.4	5.4	4.9	4.7	4.6	4.7	4.5	4.9	4.8	5.3						
23. Housing	152.7	154.0	155.3	156.9	159.0	160.7	162.1	163.9	166.0	168.1	5.2	4.6	4.5	151.0	158.0	165.0
24. Percent Change(AR)	8.6	3.5	3.5	4.2	5.5	4.3	3.6	4.5	5.2	5.2						
25. Electricity and Gas	116.6	119.8	122.2	122.5	121.6	123.5	124.8	125.5	124.9	126.8	2.0	3.4	2.5	118.4	122.5	125.5
26. Percent Change(AR)	-5.8	11.7	8.1	1.2	-3.1	6.5	4.1	2.5	-2.2	6.3						
27. Other Household Opns	133.1	134.1	135.5	136.5	137.2	137.9	138.7	139.7	140.2	141.0	2.2	2.7	2.3	133.1	136.8	139.9
28. Percent Change(AR)	0.1	3.0	4.3	3.1	2.0	2.1	2.2	2.8	1.4	2.5						
29. Transportation	136.2	139.3	140.6	141.4	142.1	143.5	145.2	146.8	148.5	150.4	4.4	4.1	4.1	136.3	141.9	147.7
30. Percent Change(AR)	1.7	9.5	3.7	2.3	2.1	4.0	4.9	4.4	4.7	5.3						
31. Medical Care	161.4	163.5	166.1	168.8	171.4	173.7	176.2	178.9	181.8	184.7	5.5	6.1	6.1	160.2	170.0	180.4
32. Percent Change(AR)	6.1	5.5	6.5	6.6	6.3	5.4	5.9	6.3	6.6	6.5						
33. Other Services	147.9	149.8	151.4	153.1	154.9	156.5	158.2	160.0	161.8	163.7	4.3	4.7	4.5	147.0	154.0	160.9
34. Percent Change(AR)	5.2	5.1	4.4	4.6	4.8	4.2	4.4	4.6	4.6	4.8						

Table 9.

Gross National Product Implicit Price Deflators
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
1. Gross National Product	132.2	133.1	134.9	136.2	137.4	138.6	139.8	141.2	142.5	143.9	4.1	4.1	3.7	131.5	136.8	141.9
2. Percent Change(AR)	3.7	2.8	5.5	3.9	3.6	3.5	3.5	4.1	3.7	4.0						
3. Personal Consumption	137.0	139.3	140.5	141.2	142.4	143.7	145.1	146.6	148.0	149.8	5.0	4.1	3.8	136.4	142.0	147.4
4. Percent Change(AR)	5.4	6.9	3.5	2.0	3.4	3.7	4.0	4.2	3.9	5.0						
5. Consumer Price Index	131.6	133.9	134.6	135.0	136.0	137.2	138.5	140.0	141.3	143.1	5.4	3.8	3.7	130.7	135.7	140.7
6. Percent Change(AR)	7.1	7.2	2.2	1.2	3.0	3.6	3.8	4.4	3.8	5.2						
7. Private Domestic Invest	109.0	107.7	107.8	108.0	108.5	109.1	109.8	110.2	110.7	111.3	0.3	0.4	2.0	107.9	108.4	110.5
8. Percent Change(AR)	2.5	-4.6	0.1	1.1	1.7	2.3	2.5	1.5	1.8	2.5						
9. Structures	122.4	122.1	122.5	123.1	123.6	123.7	124.4	125.0	125.7	131.3	1.8	1.3	2.7	121.6	123.2	126.6
10. Percent Change(AR)	2.0	-1.0	1.3	2.0	1.6	0.3	2.3	1.9	2.3	19.0						
11. Producer's Durables	96.5	96.4	96.8	96.9	97.2	97.1	97.6	97.9	98.3	98.4	0.7	1.0	1.1	96.0	97.0	98.1
12. Percent Change(AR)	5.1	-0.4	1.7	0.4	1.2	-0.4	2.1	1.2	1.6	0.4						
13. Residential Structures	126.0	125.7	125.3	125.4	125.8	125.7	126.5	127.1	128.1	129.2	1.6	0.0	1.7	125.6	125.6	127.7
14. Percent Change(AR)	2.3	-0.9	-1.3	0.3	1.3	-0.3	2.6	1.9	3.2	3.5						
15. Exports	106.7	107.1	107.8	108.0	108.4	109.0	109.6	110.4	111.3	112.2	0.6	1.8	2.4	106.4	108.3	110.9
16. Percent Change(AR)	1.1	1.5	2.6	0.7	1.5	2.2	2.2	3.0	3.3	3.3						
17. Imports	105.5	111.7	108.6	104.9	103.8	104.8	105.8	106.8	107.3	108.4	2.2	-0.5	1.5	106.1	105.5	107.1
18. Percent Change(AR)	10.1	25.7	-10.6	-12.9	-4.1	3.9	3.9	3.8	1.9	4.2						
19. Federal	123.0	124.9	128.0	127.4	128.3	128.7	130.9	133.0	134.0	134.7	3.2	3.9	3.9	123.3	128.1	133.2
20. Percent Change(AR)	3.3	6.3	10.3	-1.9	2.9	1.3	7.0	6.6	3.0	2.1						
21. Federal Purchases	113.2	115.9	116.6	115.5	116.6	117.3	118.5	120.3	121.8	122.9	2.3	2.6	3.8	113.5	116.5	120.9
22. Percent Change(AR)	6.4	9.8	2.4	-3.7	3.9	2.4	4.2	6.2	5.1	3.7						
23. Federal Value Added	140.0	140.6	148.0	149.1	149.1	148.6	154.2	154.7	154.6	154.5	5.0	6.3	3.9	139.9	148.7	154.5
24. Percent Change(AR)	0.6	1.7	22.8	3.0	0.0	-1.3	15.9	1.3	-0.3	-0.3						
25. State & Local	142.0	144.2	145.5	146.6	147.9	149.6	151.4	153.1	155.0	156.9	4.6	4.3	4.5	141.3	147.4	154.1
26. Percent Change(AR)	5.5	6.3	3.7	3.1	3.6	4.7	4.9	4.6	5.1	5.0						
27. State/Local Purchases	127.3	129.9	130.9	130.8	131.2	132.4	133.7	135.1	136.5	138.0	3.7	3.3	3.4	127.1	131.3	135.8
28. Percent Change(AR)	5.5	8.4	3.0	-0.3	1.2	3.7	4.0	4.3	4.2	4.5						
29. State/Local Value Added	154.0	156.0	157.5	159.6	161.8	163.9	166.0	167.9	170.3	172.5	5.4	5.1	5.3	153.0	160.7	169.2
30. Percent Change(AR)	5.6	5.3	3.9	5.4	5.6	5.3	5.2	4.7	5.8	5.3						

Table 10.

Details of Private Consumption in the U. S.
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
Current Dollars																
1. Durable Goods	482.3	473.5	461.9	468.4	473.5	482.3	489.3	501.7	510.5	512.6	1.5	-2.1	6.8	481.6	471.5	303.5
2. Autos, Trucks & Parts	214.7	204.7	195.4	203.9	208.9	215.2	220.6	230.7	236.8	235.8	-1.0	-3.5	12.2	213.2	205.9	231.0
3. Furniture	176.4	175.1	173.7	171.9	171.5	172.1	173.2	174.0	175.0	176.4	3.2	-2.5	1.4	176.8	172.3	174.7
4. Other	91.2	93.6	92.8	92.6	93.1	95.0	95.5	97.0	98.7	100.4	4.3	2.0	4.8	91.5	93.4	97.9
5. Nondurable Goods	1205.0	1218.3	1218.1	1212.7	1221.8	1236.6	1249.3	1265.5	1281.4	1299.4	5.7	2.3	4.2	1194.3	1222.3	1273.9
6. Food	629.8	629.9	639.5	644.6	651.3	657.2	663.4	671.1	678.6	687.0	5.0	3.7	4.1	624.9	648.2	675.0
7. Clothing & Shoes	215.8	212.0	212.0	213.4	214.3	216.0	218.4	221.2	223.9	226.9	4.3	0.3	4.1	213.3	213.9	222.6
8. Gasoline & Oil	94.0	109.1	97.0	84.8	84.8	86.5	87.4	88.8	89.4	90.2	11.8	-5.8	0.8	93.7	88.3	89.0
9. Fuel Oil & Coal	19.6	19.5	18.5	16.1	15.4	16.2	16.3	16.4	16.5	16.6	5.1	-10.8	-0.6	18.6	16.6	16.5
10. Other	245.7	247.9	251.1	253.8	256.0	260.7	263.8	268.0	273.0	278.7	6.6	4.7	6.1	243.8	255.4	270.9
11. Services	2006.2	2036.3	2071.8	2105.1	2145.7	2179.4	2216.1	2256.2	2296.9	2342.9	7.4	7.2	7.2	1982.3	2125.5	2278.0
12. Housing	575.8	582.1	588.4	595.9	605.3	613.2	620.2	628.9	638.9	649.0	6.6	5.5	5.6	569.5	600.7	634.3
13. Utilities	96.4	96.1	98.6	100.0	101.4	101.9	103.3	104.7	105.0	107.5	-2.1	5.1	4.6	95.6	100.5	105.1
14. Other	116.3	116.5	117.2	117.7	118.7	119.6	120.8	122.2	123.2	124.8	5.8	2.9	3.8	115.0	118.3	122.8
15. Transportation	137.4	142.1	142.4	141.5	144.1	146.8	149.3	151.8	154.6	158.1	8.2	5.1	6.8	136.8	143.7	153.5
16. Medical Care	491.5	503.8	518.6	532.9	547.3	560.5	574.2	588.6	603.6	618.9	11.3	11.7	10.5	483.4	539.8	596.3
17. Other	588.7	595.8	606.6	617.1	628.9	637.4	648.3	660.0	671.6	684.6	6.9	6.9	7.0	582.1	622.5	666.1
Constant Dollars																
18. Durable Goods	429.5	419.9	409.4	413.2	415.7	421.3	425.3	434.2	439.2	438.2	0.1	-3.2	4.7	428.5	414.9	434.2
19. Autos, Trucks & Parts	179.6	170.0	161.8	167.7	171.0	175.5	178.9	185.8	189.9	187.9	-2.0	-5.0	9.8	177.8	169.0	185.6
20. Furniture	179.7	178.1	176.9	175.6	175.0	175.3	176.2	177.8	178.2	178.9	2.8	-2.3	1.2	179.8	175.7	177.8
21. Other	70.2	71.8	70.7	69.9	69.7	70.5	70.2	70.6	71.1	71.4	-1.1	-0.9	0.9	70.8	70.2	70.8
22. Nondurable Goods	916.4	902.8	901.2	902.5	904.8	909.0	909.8	911.6	916.1	918.5	-0.9	-0.8	1.1	911.5	904.4	914.0
23. Food	459.4	454.0	451.6	453.3	454.8	456.1	456.6	457.2	457.9	458.6	-1.2	-0.8	0.8	457.5	454.0	457.6
24. Clothing & Shoes	174.4	171.0	169.9	169.5	170.2	170.9	171.3	171.6	174.1	174.7	0.0	-1.5	1.6	172.7	170.1	172.9
25. Gasoline & Oil	94.4	94.3	93.7	93.6	94.1	94.6	94.5	94.6	94.6	94.4	-2.0	-0.7	0.6	94.7	94.0	94.5
26. Fuel Oil & Coal	21.0	16.8	18.4	18.1	17.8	18.3	18.0	18.0	18.2	18.0	-12.5	-5.5	-0.6	19.2	18.2	18.1
27. Other	167.2	166.8	167.6	168.0	167.9	169.1	169.4	170.2	171.3	172.8	1.0	0.5	1.7	167.4	168.2	170.9
28. Services	1350.8	1353.1	1360.3	1366.5	1377.3	1383.1	1391.0	1399.5	1408.1	1417.8	2.5	2.2	2.4	1342.2	1371.8	1404.1
29. Housing	377.2	378.1	378.9	379.8	380.7	381.6	382.6	383.7	384.9	386.1	1.4	0.8	1.1	377.1	380.3	384.3
30. Utilities	82.7	80.2	80.7	81.6	83.4	82.5	82.8	83.4	84.1	84.8	-4.0	1.6	2.1	80.8	82.1	83.8
31. Other	87.4	86.9	86.5	86.2	86.5	86.7	87.1	87.5	87.9	88.5	3.5	0.1	1.5	86.4	86.5	87.8
32. Transportation	100.9	102.0	101.3	100.1	101.4	102.3	102.8	103.4	104.1	105.1	3.6	0.9	2.5	100.4	101.3	103.9
33. Medical Care	304.6	308.1	312.2	315.7	319.3	322.7	325.9	329.0	332.0	335.1	5.5	5.2	4.1	301.7	317.5	330.5
34. Other	398.0	397.8	400.7	403.1	406.0	407.3	409.8	412.5	415.1	418.2	2.5	2.1	2.4	396.0	404.3	413.9

Table 11.

Productivity and Employment in the U. S. Economy
for 1990-III and 1990-IV with Forecasts for 1991-I through 1992-IV

Georgia State University
College of Business Administration
Economic Forecasting Center
February 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	III 90	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	90/89	91/90	92/91	1990	1991	1992
PRODUCTIVITY																
1. Private Domestic Wage Component - %Chg(AR)	5.0	4.1	6.5	4.5	4.3	4.3	4.4	4.4	4.6	4.8				4.1	4.9	4.4
2. Private Productivity % Change(AR)	-0.2	1.5	1.5	1.2	1.3	-0.4	1.1	-0.2	0.3	-0.7				0.0	1.0	0.4
3. Implicit Unit Labor Cost % Change(AR)	5.1	2.5	4.9	3.3	3.0	4.7	3.2	4.7	4.3	5.6				4.1	4.0	4.0
4. Private Domestic Price Deflator - %Chg(AR)	3.8	2.3	5.1	3.8	3.7	3.5	3.0	4.1	3.7	4.0				3.9	3.9	3.6
EMPLOYMENT																
5. Civilian Employment	117842	117564	116921	117240	117599	117990	118491	118921	119805	120480	0.5	-0.4	1.7	117942	117438	119424
6. Private Employment	92309	91901	91529	91693	92025	92337	92779	93148	93927	94527	1.6	-0.2	1.8	92041	91896	93595
7. Manufacturing Employment	19078	18804	18598	18569	18555	18594	18606	18656	18688	18696	-1.9	-2.6	0.4	19065	18579	18662
8. Durable Manufacturing	11125	10914	10747	10734	10730	10761	10773	10828	10852	10854	-2.6	-3.4	0.8	11125	10743	10827
9. Nondurable Mfg	7953	7890	7851	7835	7825	7833	7833	7828	7836	7842	-0.8	-1.3	0.0	7941	7836	7835
10. Mining	739	737	733	729	723	722	725	730	732	738	5.1	-1.1	0.6	735	727	731
11. Contract Construction	5200	5037	4854	4889	4916	4948	4955	4966	5018	5035	0.2	-5.9	1.9	5208	4902	4994
12. Transport & Communication	5852	5870	5870	5875	5890	5902	5918	5934	5961	5967	3.6	0.8	1.0	5838	5884	5945
13. Transportation	3636	3655	3658	3665	3679	3688	3699	3709	3730	3733	5.4	1.4	1.2	3620	3673	3718
14. Communication	2216	2215	2212	2210	2211	2214	2219	2225	2231	2234	0.9	-0.3	0.7	2218	2212	2227
15. Trade	26220	26085	26088	26147	26273	26352	26448	26566	26724	26838	1.2	0.2	1.6	26152	26215	26644
16. Retail Trade	19847	19743	19789	19853	19954	20015	20092	20190	20311	20392	1.1	0.6	1.7	19791	19903	20246
17. General Merchandise	2491	2435	2426	2431	2446	2455	2465	2477	2489	2496	-0.9	-1.7	1.7	2482	2440	2482
18. Food	3303	3313	3332	3348	3367	3384	3401	3419	3435	3447	3.6	1.9	2.0	3295	3358	3426
19. Automobiles	2135	2125	2098	2095	2099	2103	2104	2117	2125	2129	0.9	-1.2	1.0	2125	2099	2119
20. Eating	6618	6639	6660	6683	6714	6739	6762	6797	6841	6369	2.6	1.5	1.8	6598	6699	6817
21. Other	5299	5231	5273	5296	5328	5334	5360	5380	5421	5451	-1.3	0.3	1.8	5292	5308	5403
22. Wholesale Trade	6373	6342	6299	6294	6319	6337	6356	6376	6413	6446	1.5	-0.8	1.4	6361	6312	6398
23. Durable	3769	3742	3706	3699	3712	3722	3736	3751	3774	3795	1.3	-1.5	1.5	3765	3710	3764
24. Nondurable	2604	2600	2593	2595	2607	2615	2620	2625	2639	2651	1.9	0.2	1.2	2597	2603	2634
25. Finance, Insurance and Real Estate	6848	6836	6821	6821	6841	6864	6889	6912	6938	6963	1.7	0.1	1.3	6833	6837	6926
26. Services	28371	28532	28565	28663	28827	28995	29235	29475	29866	30290	4.1	2.0	3.3	28209	28763	29717
27. Government	18346	18333	18291	18403	18486	18580	18630	18716	18735	18866	2.8	0.8	1.6	18295	18440	18737
28. Federal	3069	2966	2938	2932	2937	2953	2950	2956	2951	2942	3.2	-4.7	0.3	3086	2940	2950
29. State & Local	15277	15368	15353	15471	15549	15627	15680	15760	15784	15924	2.8	1.9	1.9	15209	15500	15787
30. Total Payroll	110655	110267	109820	110096	110517	110917	111409	111864	112712	113393	1.8	0.0	1.8	110344	110338	112345
31. Unemployment Rate	5.6	5.9	6.3	6.4	6.4	6.6	6.6	6.6	6.3	6.2	4.6	16.3	0.4	5.5	6.4	6.4

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FORECAST OF THE NATION

1991 II–1993 I

U1880-1

GEORGIA STATE UNIVERSITY
COLLEGE OF BUSINESS ADMINISTRATION

May 1991

Dr. Donald Ratajczak, Director

ECONOMIC FORECASTING CENTER

RECOVERY IS HERE; BUT IT IS WEAK

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Housing is beginning to stir, interest rates have fallen several percentage points from their peak, inventories are being aggressively liquidated, inflation is moderate, equity values have risen sharply, and unemployment appears to be stabilizing. All these factors are early signs that an economic recovery may soon begin. In fact, a **recovery is expected before the end of spring.**

However, **any rebound will be modest.** First, production has not fallen faster than sales in an effort to empty bloated warehouses. Instead, **inventory liquidation and falling sales have occurred simultaneously.** Therefore, no surge in activity will be needed to restore production to sales levels, as in earlier recessions.

Second, **construction goods remain excessive and debt burdens remain well above historical norms.** Any construction rebound will be weak and any investment and consumer spending activity will be restrained by the need to manage already bloated debt.

Third, the remainder of the world is slowing as recovery begins here. This has strengthened the dollar and placed further **export growth in jeopardy.**

Fourth, **government spending is being restrained,** both because less defense is needed following the Persian Gulf conflict and because budget deficits are restricting new spending initiatives at the federal and local levels.

Fifth, **consumer sentiment remains fragile** as concern shifts from the war to the economy. Already, some slippage in sentiment has developed. This means that any consumer spending rebound will be weak.

Even so, the economy should grow 3% during the second half of this year following a modest decline during the spring. After falling 0.3% in 1991, inflation adjusted GNP should rise 2.5% in 1992. Unemployment will average 6.8% this year and only improve to 6.7% next year. **A 7% unemployment rate still is anticipated this summer.**

A rebound in productivity from cost cutting efforts should lower unit labor costs to less than 4% gains in both years. As a result, **inflation should subside** even as the economy begins recovery. **Consumer prices should rise 4.5% this year and 4% in 1992.**

Interest rates should continue declining through the summer and then gradually drift upward. No further decline from 8.5% is seen for the prime rate. An increase to 10.25% is expected by the end of 1992. Long-term government rates are expected to average 8.1% this year and 8.5% in 1992. Stock prices are projected to rise 12.6% this year and an additional 6.8% in 1992. However, this year's gains have already been reached.

Housing is expected to rise to 1.178 million units during 1992, while auto sales will remain a sluggish, though improving, 9.1 million that year. In effect, the economy will fall out of recession, but no surge in activity is seen.

OUTLOOK

Economic activity continued to contract through April, but the degree of decline clearly slowed. While payroll employment fell by 125,000 and the index of hours worked contracted by 0.4%, hours worked in manufacturing stabilized and the manufacturing workweek increased. Initial unemployment claims also began to shrink, although claims remained at recessionary levels. Building permits began to improve while interest rates continued to fall. Although auto sales showed no improvement, rising prices for used cars, which improves trade-in values, and the oldest average age of vehicles in twenty years sets the stage for some improvement there.

The leading indicators increased for the second consecutive month. In signalling declines, the leading indicators can be six or more months ahead of activity. However, the recovery signal is normally only two to three months head. Unfortunately, most of the positive indicators are psychological, such as consumer sentiment and stock prices. Orders fell sharply in March. However, even these indicators may soon make a turn. Capital spending anticipations actually increased from a gain of less than 1% last fall to expected spending increases of 3% in the winter. In contrast, orders are down sharply from the past year and even trail shipments. Unless those anticipations have no relationship to reality, **substantial improvements in orders should be observed in the next few months.**

No economic rebound is yet certain. Despite the aging of consumer durable stocks, consumers are worried about their debt holdings and have been liquidating installment debt for the past four months. (Some of this may reflect a transfer from installment to home equity financing of debt to obtain tax advantages on the interest charges.) In March the savings rate had fallen to 3.7% of disposable income. Clearly, the consumer is not in financial position to lead an economic expansion.

Although mortgage rates are declining slightly and building permits are rising, housing construction still has not advanced noticeably. Credit restraints are preventing builders from financing multi-family construction, while single family sales remain modest as potential buyers wonder how much lower housing prices may fall. (The average financed home during the past year has declined by $3900 in price nationwide.) While some rebound in housing starts is expected for the spring, expenditures will not begin climbing until the summer, when completions begin rising. Despite the slowness of its rebound, housing almost certainly will be contributing to economic growth for the remainder of this year unless mortgage rates again make a substantial upward move.

The largest uncertainty is in fixed investment. The large discrepancy between anticipations and orders creates much of the confusion. Also, capacity utilization has fallen to a level where substantial declines in capital expenditures normally develop. However, capital spending needs continue to be motivated more by cost cutting with new technology rather than expansion of production capability. Moreover, the first quarter decline from fourth quarter levels must be placed in context with the sharp rise in fourth quarter investment expenditures. Further declines are projected for producers' durables until the end of the year, but no large declines are expected.

A sharp drop in the vehicle component of producers' durables reflects a shift in operations by rental fleets. These fleets receive cars at wholesale from producers and have been releasing them to the used market after only a few thousand miles and a few months of rentals. As a result, many retail customers have chosen the used, current-year models over the floor models, thus harming sales of new cars at retail level. Producers have informed rental fleets that they must hold their models for longer periods to qualify for the wholesale prices. As a result, fleet purchases were unusually low during the winter as fleets aged their vehicles. Auto purchases of producers' durables should increase soon, while truck purchases may lag until economic activity rebounds.

Nonresidential construction should remain soft all year. Orders are trailing previous year levels by more than 7%, suggesting substantial weakness in spending for the year. Utility expenditures show no signs of rebounding, while the energy portion of investment in fixed structures should show little trend until the direction of oil prices becomes clearer.

If housing leads, the second area assuring economic expansion is inventory investment. During the past six months, inventories have been liquidated even more aggressively than sales have declined. Merely stabilizing sales will require the end to inventory liquidations. That alone would add more than a percentage point to GNP. While some inventory liquidations still are anticipated during the spring, modest inventory accumulation should reappear in the summer. Indeed, manufacturing inventories appear to be lean for current production needs. Wholesalers appear to have ample inventories, but retailers also are reducing their inventories relative to sales.

Another area of uncertainty is trade activity. The recession has stalled imports, leading to rapid gains in trade balances. In the winter, oil imports fell below 200 million barrels a month. Normal imports should be 250 million per month. Some rebound in oil imports should occur. Also, if the economy recovers, imports will rebound, causing the gain in activity to be muted. The dollar's sharp rebound along with slowing economies abroad almost certainly will slow the growth of exports. Some recovery should develop next year as the mini-recession in Europe finally is pushed aside by continued expansion in Germany. Nevertheless, the trade sector could lead to stronger economic expansion if exports remain robust, or could prevent any recovery if imports rise with little gain in export activity.

Government spending also will be a drag upon economic activity. The war was not as expensive as expected. Although estimates vary, the conflict may have cost $45-$48 billion. With pledges of $54 billion from our allies, the budgetary impact of the conflict is nil. Indeed, the dollar has been strengthened by these pledges, causing a rare positive balance on net foreign investment. As more normal capital flows develop during the summer, the dollar could once again come under pressure.

Because the Persian conflict will not require substantial replacement spending, federal purchases will be declining. Also, the release of reservists and shrinkage of regular army units will cause a reduction in value added by the federal government. Federal spending on goods and services, which rose 2.6% in 1990, should fall by 1.7% in 1992.

State and local governments are suffering severe shortfalls in their budgets. Both a slowing in expenditures and an increase in taxes are expected to offset these problems. Of course, that will slow the growth of economic activity. By contrast, last year's federal budget agreement that raised taxes during a recession had their maximum negative impact early this year when excise taxes and higher medicare tax ceilings became effective. Even so, **government spending will be slowing economic growth for the next two years.**

From the review of expenditures possibilities, the recovery rests upon some slender reeds. In particular, **any substantial increase in interest rates almost certainly would prevent any expansion from developing.** Interest rate changes are related to inflationary pressures, and they are receding. Productivity probably will increase in 1991 despite the recession and also should increase modestly in 1992 as the benefits from cost cutting begin to be appreciated in a growing economy. Wage gains remain modest. Therefore, unit labor costs are expected to slow by nearly a full percentage point in 1991. Along with a strengthening dollar and little evidence that commodity prices should surge (oil remains available and agricultural conditions are reasonably favorable worldwide), these reduced labor costs should lead to moderating inflationary pressures.

Fixed investment investors were shocked by the large price increases less food and energy early in the year. However, half those changes were caused by government excise taxes, sales taxes, property taxes, or higher fees e.g. postal rates. Now that those government initiatives have faded, so has the inflation rate. Therefore, **inflation should not intensify in 1991 and may remain modest in 1992.** Some inflationary pressures may develop later that year as unemployment begins to recede. Prior to then, however, inflation should not be a problem.

Even without inflationary worries investors continue to avoid long-term government bonds. Most of the other arguments include fears that no further Federal Reserve easing will develop, high interest rates abroad limit the degree to which interest rates can fall here, and a worldwide savings shortfall requires higher, not lower interest rates to balance investment and savings. Of course, the Federal Reserve eases on the short end of the market. If the easing is not justified by economic conditions, money growth will swell, leading to rising inflationary fears. Money growth accelerated in February and March, but has since subsided. While no further easing may be bad for expenditures, the reduced money growth actually would reduce inflationary pressures over time. Therefore, **long-term interest rates should fall if this is the last Federal Reserve easing.**

Of course, interest rates can fall in the United States even as they are rising in Germany, if the dollar is appreciating. A rising dollar provides foreign investors with exchange rate gains to compensate for the lower yields on their investments. Now that Germany's trade surplus has vanished while net foreign investment has turned positive, at least temporarily, for the United States, lower interest rates in the United States are needed to prevent European capital from flooding into the United States. Indeed, the strong dollar, if it persists, suggests that interest rates in the United States still are too high relative to the remainder of the world.

The worldwide savings imbalance could cause worldwide interest rates to rise. This still is no problem as long as the dollar remains strong. Nevertheless, Kuwait has shifted from providing $15 billion a year to needing more than $65 billion per year, at least for the next two years. East Germany has exhausted about $75 billion per year of Germany's savings pool. Development of the remainder of Eastern Europe will require comparable investments before returns will be sufficient to self-finance further developments. Until some of these problems are resolved, worldwide interest rates will remain high. **When the dollar loses its lustre, it could fall sharply unless interest rates rise in the United States.** This is another factor that will slow the rebound in economic activity; but a strong dollar should permit our interest rates to fall even if they are rising worldwide.

This recession has been unusual in several aspects. First, inventories have been liquidated as quick as sales have fallen. This means that no spurt in activity is needed when recovery begins to bring production levels back up to sales levels. Second, cost cutting has been so vigorous that productivity actually rose during the downturn. Normally, labor is inventoried. Therefore, productivity declines in recession and spurts in the early stages of recovery. Because of this absence of excess labor at work, unit labor costs will not slow as much, nor will inflation be as modest as in the early stages of other upturns. Third, the vigorous cost cutting has led to less profit erosion than in the previous slides. Although operating profits less tax liability fell by 6% in 1990, this was less than half the normal decline during recessions. After-tax profits hardly declined. **When the recovery begins, stronger than normal gains in profits are likely.**

This potential for above average profits in a recovery may explain the strong gains in equity values. However, stock prices have strengthened too rapidly for current economic conditions. Therefore, a period of consolidation is likely before prices once again begin rebounding. **The Dow Jones average may reach 3400 in the summer of 1992, but a decline to 2800 is likely first.**

Some possibility remains that fixed investment will deteriorate and trade balances will decline before the housing and inventory investment gains can stabilize employment. Also, unexpected inflationary conditions might raise interest rates, leading to weakness in the housing market and an end to expansion prospects. However, inflation has been growing more slowly than wages in recent months, housing is beginning to rebound, and inventories are lean. Therefore, **an expansion is more likely than further decline, and that expansion probably will begin soon.**

ASSUMPTIONS

As shown in table 6, the Federal Reserve is expected to provide sufficient liquidity to allow loan activity to recover at commercial banks. No dependency upon interest rate targets without regard to money growth is assumed. However, if the recovery begins in the spring, money growth no longer will be sluggish at current interest rates. Some desire to restrain interest rates during the election year is assumed, although political public policy is not expected to be substantial next year.

All the pledges are assumed to be paid by the summer. As a result, net foreign investment will become more negative as the year progresses. This is reflected in table 7. No substantial tax initiatives are expected despite proposals to cut payroll taxes, to convert deductions into credits, and to put a surtax on high income earners. However, further gains in property and sales taxes are assumed by state and local governments to try to overcome their budget problems. Most of the federal government budget assumptions are in table 5.

Some other assumptions are as follows:

a. **Barrels of imported oil are expected to fall by 3.3% in 1991 before rising 8.6% in 1992. Prices of imported oil are expected to average $19.94 per barrel in 1991 before rising modestly to $21.42 in 1992. No serious disruptions of oil production are assumed in the forecast.**

b. **No changes are expected in the cost of living adjustments for government programs. Adjustments of only 3.7% and 3.9% were assumed for the next fiscal year. Government salaries were expected to increase 4% during each of the next two years.**

c. **The wage base for Social Security was assumed to be $53,900 in 1991 and $56,100 in 1992. The medicare tax was increased to $125,000 in 1991 and to rise with inflation to $129,300 in 1992. No further changes in the tax treatment of benefits was assumed.**

d. **No further changes in minimum wage legislation was assumed.**

e. **World trade is expected to grow 3% in 1991 and 5% in 1992. European growth rates of 2% are expected during the next two years. Eastern Europe should decline nearly 4% in 1991 and 1992. Asia should grow about 4% in both years.**

f. **No further excise taxes or government fees are expected in the forecast period.**

g. **No major labor disruptions were assumed during the forecast period.**

CONCLUSION

Preconditions for an economic recovery now are in place. Although the recovery has not yet begun, this forecast assumes that one will start before the end of spring. A relapse to further recession still is possible, especially if fixed investment continues to plunge and trade balances begin to deteriorate. However, a rebound in housing, some gains ininventory investment and modest support from consumer spending should combine to insure a modest economic rebound.

Unfortunately, the rebound is not likely to be vigorous. Heavy debt burdens will limit fixed investment decisions and consumer spending. Also, government spending will be restrained as both federal and state governments try to manage their budget problems. The strong dollar and slowing economies abroad reduce the likelihood that trade balances will continue to improve as sharply as during the past two quarters.

Nevertheless, the recession has restrained wage demands. Also, cost cutting, while sharply increasing unemployment, will permit substantial profit improvement once the recovery begins. This, in turn, provides some justification for the significant gains in stock values that have developed in the past few months. The stock market is early, but it is not wrong. Thus, after a period of consolidation, **further stock value gains are likely next year.** Moreover, improving values for equities more than offset reduced values for real estate holdings. If there is a wealth effect in this recovery, it is positive.

Recovery will not be as apparent as in previous recoveries because the economy will merely drift out of recession. However, interest rates will remain relatively low until next year, while inflation should remain modest.

Table 1.

U. S. Expenditures in Current Dollars
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	3724.9	3741.1	3793.9	3842.2	3901.0	3962.2	4022.3	4083.0	4149.5	4216.8	6.0	4.4	6.1	3657.3	3819.6	4054.3
2. % Change(AR)	3.5	1.8	5.8	5.2	6.3	6.4	6.2	6.2	6.7	6.6						
3. Durable Goods	468.5	456.8	466.6	468.9	476.0	482.8	488.9	493.2	501.6	505.2	1.2	-2.8	5.3	480.3	467.1	491.6
4. Autos, Trucks & Parts	203.9	192.3	202.4	204.1	210.2	214.2	218.5	220.8	224.8	226.2	-1.1	-5.1	8.6	213.0	202.3	219.6
5. Other Durable Goods	264.6	264.5	264.2	264.8	265.8	268.6	270.4	272.4	276.8	279.0	3.2	-0.9	2.7	267.3	264.8	272.1
6. Nondurable Goods	1216.0	1209.8	1220.1	1236.1	1252.8	1268.8	1285.9	1303.1	1320.0	1337.5	5.6	3.0	5.3	1193.7	1229.7	1294.5
7. Services	2040.4	2074.5	2107.2	2138.1	2172.5	2210.6	2247.5	2286.7	2327.9	2374.1	7.5	7.0	6.8	1983.3	2123.1	2268.2
8. Pers Cons less Services	1684.5	1666.6	1686.7	1704.1	1728.5	1751.6	1774.8	1796.3	1821.6	1842.7	4.3	1.3	5.3	1674.0	1696.5	1786.1
9. % Change(AR)	-0.6	-4.2	4.9	4.2	5.9	5.5	5.4	4.9	5.8	4.7						
10. Pvt Domestic Invstment	698.3	673.4	679.1	695.5	714.7	733.6	748.2	770.2	784.6	786.3	-3.9	-6.8	9.9	741.1	690.7	759.2
11. Residential Structures	205.2	189.9	184.2	193.1	202.6	209.4	217.4	225.2	227.3	229.1	-3.9	-13.3	14.2	222.0	192.5	219.8
12. Other Structures	142.1	139.2	136.0	133.7	133.6	133.9	135.5	137.3	139.1	140.6	0.5	-7.7	0.6	147.0	135.6	136.5
13. Producer's Durables	381.9	367.1	363.4	359.4	360.0	363.9	366.5	373.0	380.6	383.5	3.1	-3.9	2.4	377.1	362.5	371.0
14. Change in Inventories	-30.8	-22.9	-9.0	9.3	18.5	26.4	28.8	34.7	37.6	33.1				-5.1	-1.0	31.9
15. Chg in Nonfarm Inv	-32.4	-27.9	-9.4	4.6	17.6	23.9	28.5	30.9	38.8	28.9				-7.4	-3.8	30.5
16. Net Exports	-28.8	7.5	-13.1	-13.2	-7.9	0.2	-4.5	-8.0	-8.0	-0.6				-31.3	-6.7	-5.1
17. Exports	697.4	692.2	677.1	690.5	714.9	732.7	742.9	755.8	771.5	791.9	7.4	3.1	8.2	672.8	693.7	750.7
18. Imports	726.2	684.7	690.2	703.7	722.8	732.5	747.4	763.8	779.8	792.5	4.7	-0.5	7.9	704.1	700.4	755.9
19. Government Purchases	1132.9	1140.2	1152.5	1165.7	1175.9	1190.0	1201.0	1215.8	1226.7	1242.5	7.1	5.5	4.3	1098.1	1158.6	1208.4
20. Federal Purchases	437.6	442.3	443.1	445.7	446.1	450.4	450.8	456.5	456.3	461.2	6.0	4.8	2.1	424.0	444.3	453.5
21. Defense	325.0	330.0	328.6	327.8	327.6	329.2	329.3	329.8	329.0	332.8	4.2	4.8	0.3	313.6	328.5	329.3
22. Nondefense	112.6	112.3	114.5	117.9	118.5	121.2	121.5	126.7	127.3	128.4	11.6	4.9	7.2	110.4	115.8	124.2
23. State and Local	695.3	697.9	709.4	720.0	729.8	739.6	750.2	759.3	770.4	781.3	7.8	6.0	5.7	674.1	714.3	754.9
24. Gross National Product	5527.3	5562.3	5612.4	5690.3	5783.7	5886.0	5967.0	6061.0	6152.8	6245.0	5.1	3.6	6.3	5465.2	5662.2	6016.7
25. Net Change(amount)	12.7	35.0	50.1	77.9	93.4	102.3	81.0	94.0	91.8	92.2				264.4	64.1	92.3
26. % Change(curr$, AR)	0.9	2.6	3.7	5.7	6.7	7.3	5.6	6.5	6.2	6.1				5.1	3.6	6.3
27. Gross Natl Product(82$)	4153.4	4123.9	4121.2	4148.3	4180.7	4209.4	4233.4	4262.0	4281.8	4294.8	1.0	-0.3	2.5	4157.3	4143.5	4246.7
28. % Change(1982$, AR)	-1.6	-2.8	-0.3	2.7	3.2	2.8	2.3	2.7	1.9	1.2				1.0	-0.3	2.5
29. Implicit Price Deflator	133.1	134.9	136.2	137.2	138.3	139.8	141.0	142.2	143.7	145.4	4.1	4.0	3.7	131.5	136.7	141.7
30. % Change(AR)	2.8	5.5	3.9	2.9	3.4	4.5	3.3	3.5	4.3	4.8				4.1	4.0	3.7
31. Final Sales(curr$)	5558.2	5585.1	5621.4	5681.0	5765.2	5859.6	5938.2	6026.3	6115.2	6211.9	5.8	3.5	5.7	5470.2	5663.2	5984.8
32. Net Change from Prev	52.6	26.9	36.3	59.6	84.2	94.4	78.6	88.1	88.9	96.7						
33. Final Sales(1982$)	4179.8	4144.6	4128.2	4133.4	4167.8	4190.3	4212.9	4237.4	4256.3	4273.1	1.6	-0.4	1.9	4160.9	4143.5	4224.2

Table 2.

U. S. Real Expenditures
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	2673.6	2664.1	2679.8	2691.3	2706.1	2716.8	2730.4	2745.2	2757.9	2769.2	0.9	0.1	1.9	2681.6	2685.3	2737.6
2. % Change(1982$, AR)	-3.4	-1.4	2.4	1.7	2.2	1.6	2.0	2.2	1.9	1.6						
3. Durable Goods	415.6	403.9	410.9	411.3	416.0	419.1	422.4	424.7	428.6	428.7	-0.1	-3.9	3.2	427.4	410.5	423.7
4. Autos, Trucks & Parts	169.4	158.1	165.8	166.9	170.9	172.9	175.4	176.9	178.8	178.4	-2.1	-6.9	6.4	177.7	165.4	176.0
5. Other Durable Goods	246.2	245.8	245.1	244.4	245.1	246.2	247.0	247.8	249.8	250.3	1.3	-1.8	1.1	249.7	245.1	247.7
6. Nondurable Goods	901.2	894.6	895.6	900.0	903.6	904.3	906.6	910.5	911.8	913.3	-1.0	-1.4	1.1	911.1	898.5	908.3
7. Services	1356.7	1365.5	1373.3	1380.0	1386.5	1393.4	1401.4	1410.0	1417.5	1427.2	2.6	2.5	2.1	1343.1	1376.3	1405.6
8. Pvt Domestic Investment	656.3	630.2	632.1	645.0	658.2	671.3	682.4	697.7	707.4	706.1	-3.9	-6.9	7.5	688.7	641.4	689.7
9. Residential Structures	163.3	151.2	146.4	153.0	159.9	164.6	170.1	175.4	176.1	176.4	-5.4	-13.7	12.4	176.9	152.6	171.6
10. Other Structures	116.4	113.0	109.8	107.3	106.5	106.2	106.8	107.5	108.1	108.5	-1.2	-9.7	-1.8	120.9	109.2	107.2
11. Producer's Durables	403.1	386.5	382.9	379.5	378.9	381.4	385.0	390.2	397.7	399.5	2.8	-3.2	1.7	394.6	382.0	388.6
12. Change in Inventories	-26.4	-20.7	-7.0	5.2	12.9	19.1	20.5	24.6	25.5	21.7				-3.6	-2.4	22.4
13. Chg in Nonfarm Inv	-28.5	-25.5	-7.3	2.2	12.3	17.5	20.3	21.7	26.4	18.8				-5.1	-4.6	21.5
14. Net Exports	-8.8	2.2	-23.7	-22.6	-17.2	-9.2	-12.8	-16.1	-16.7	-10.1				-33.8	-15.3	-13.7
15. Exports	647.2	646.5	629.9	638.8	657.7	669.7	675.4	682.7	691.3	703.9	6.4	1.9	5.7	631.5	643.2	679.8
16. Imports	656.0	644.3	653.6	661.4	674.9	678.9	688.2	698.8	708.0	714.0	2.8	-1.0	5.3	665.3	658.6	693.5
17. Government Purchases	832.3	827.5	833.0	834.6	833.6	830.5	833.4	835.2	833.2	829.6	2.8	1.4	0.1	820.8	832.2	833.1
18. Federal Government	349.9	346.8	347.4	346.8	344.6	340.6	340.3	342.1	338.9	334.6	2.6	0.8	-1.7	343.7	346.4	340.5
19. Federal Purchases	222.1	218.1	218.2	218.2	216.5	212.7	212.6	214.5	211.8	207.7	3.7	0.8	-2.2	216.1	217.8	212.9
20. Value Added	127.8	128.7	129.2	128.6	128.1	127.9	127.7	127.6	127.1	126.9	0.9	0.8	-0.8	127.6	128.7	127.6
21. State and Local Govt	482.4	480.7	485.6	487.8	489.0	489.9	493.1	493.1	494.3	495.0	3.0	1.8	1.4	477.1	485.8	492.6
22. State & Local Purch.	218.8	216.3	220.8	222.5	223.0	223.2	224.8	224.1	224.5	224.3	4.3	2.6	1.6	215.0	220.7	224.2
23. Value Added	263.6	264.4	264.8	265.3	266.0	266.7	268.3	269.0	269.8	270.7	2.0	1.2	1.3	262.1	265.1	268.5
24. Gross National Product	4153.4	4123.9	4121.2	4148.3	4180.7	4209.4	4233.4	4262.0	4281.8	4294.8	1.0	-0.3	2.5	4157.3	4143.5	4246.7
25. % Change(1982$, AR)	-1.6	-2.8	-0.3	2.7	3.2	2.8	2.3	2.7	1.9	1.2						
26. Final Sales Demand	4179.8	4144.6	4128.2	4143.1	4167.8	4190.3	4212.9	4237.4	4256.3	4273.1	1.6	-0.4	1.9	4160.9	4145.9	4224.2
27. % Change(1982$, AR)	1.4	-3.3	-1.6	1.5	2.4	2.2	2.2	2.3	1.8	1.6						

Table 3.

Income Related U. S. Gross National Product Components
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Compensation of Employees	3286.9	3297.8	3317.7	3368.3	3424.5	3484.2	3536.6	3594.6	3650.0	3709.7	5.4	3.3	6.4	3244.2	3352.1	3566.4
2. Wages & Salaries	2738.9	2741.3	2757.0	2799.1	2846.9	2896.8	2940.8	2989.3	3035.0	3085.1	5.1	3.0	6.4	2705.3	2786.1	2965.5
3. Manufacturing Ind	546.1	536.9	535.6	539.4	546.0	552.7	558.6	565.2	572.5	578.8	0.9	-1.3	4.2	546.8	539.5	562.3
4. Other Producing Ind	179.9	175.9	174.3	180.5	185.7	189.8	194.0	198.7	202.1	204.4	2.1	-1.8	9.5	182.4	179.1	196.2
5. Distributive Industry	641.9	640.0	642.1	651.9	663.8	673.6	684.5	696.0	707.2	717.7	5.4	1.9	6.3	637.2	649.5	690.3
6. Service Industry	853.0	858.8	868.5	885.1	904.7	924.4	940.4	960.0	978.0	997.8	7.7	5.8	8.1	830.8	879.3	950.7
7. Military Compensation	83.5	88.2	89.5	89.3	89.0	90.3	89.8	89.3	89.0	91.8	4.7	7.8	0.7	82.6	89.0	89.6
8. Other Government	434.6	441.6	447.0	452.9	457.7	466.0	473.5	480.1	486.2	494.5	7.0	5.7	5.9	425.5	449.8	476.5
9. Supplements to W & S	548.0	556.5	560.2	569.2	577.6	587.4	595.8	605.3	615.0	624.6	6.5	5.0	6.2	538.9	565.9	600.9
10. Proprietors Income	406.2	403.0	411.3	410.4	420.3	429.2	430.5	430.0	438.0	441.2	6.1	2.2	5.0	402.5	411.3	431.9
11. Business & Professional	357.4	356.0	359.2	363.7	368.9	374.5	380.3	384.7	389.1	390.6	6.6	2.7	5.6	352.6	362.0	382.2
12. Farm Proprietors	48.8	47.0	52.1	46.7	51.4	54.7	50.2	45.3	48.9	50.6	2.6	-1.2	1.0	49.9	49.3	49.8
13. Rental Income	9.3	6.9	6.9	7.8	8.5	9.6	10.2	11.6	12.2	13.1	-16.4	9.5	44.9	6.9	7.5	10.9
14. Net Interest	468.4	462.9	456.5	460.1	466.8	474.3	483.5	493.5	504.2	514.3	4.8	-1.1	5.9	466.6	461.6	488.9
15. Corporate Profits(adj)	288.9	285.5	288.3	299.4	313.6	324.8	339.9	351.6	350.0	351.1	-4.3	-0.5	15.1	298.3	296.7	341.6
16. National Income	4459.7	4456.1	4480.7	4546.0	4633.7	4722.1	4800.7	4881.3	4954.4	5029.4	4.6	2.5	6.9	4418.4	4529.1	4839.6
17. Indirect Business Tax	451.4	461.6	469.6	476.4	484.2	492.1	499.8	507.6	515.8	523.8	6.3	7.4	6.5	440.3	473.0	503.8
18. Capital Consumption Adj	41.8	43.1	45.2	47.7	50.2	52.5	54.1	56.7	59.3	62.0				35.2	46.6	55.7
19. Capital Cons. Allowance	543.3	548.0	553.0	558.6	564.1	570.8	577.5	583.9	590.2	597.8	-0.3	2.9	4.4	540.5	555.9	580.6
20. Business Transfers	36.0	36.7	37.4	38.1	38.8	39.5	40.2	41.0	41.7	42.4	8.2	7.7	7.5	35.1	37.8	40.6
21. Net Govt Subsidies	5.3	-5.2	-0.1	-5.3	-0.3	-4.8	0.6	-4.0	-1.9	-8.1				-2.5	-2.7	-2.5
22. Statistical Descrepancy	0.3	22.0	26.6	28.8	13.0	13.8	-5.9	-5.5	-6.7	-2.3				-1.3	22.6	-1.1
23. Gross National Product	5527.3	5562.3	5612.4	5690.3	5783.7	5886.0	5967.0	6061.0	6152.8	6245.0	5.1	3.6	6.3	5465.2	5662.2	6016.7

Table 4.

Derivation of U. S. Personal Income
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. National Income	4459.7	4456.1	4480.7	4546.0	4633.7	4722.1	4800.7	4881.3	4954.4	5029.4	4.6	2.5	6.9	4418.4	4529.1	4839.6
Less:																
2. Adj. Corporate Profits	288.9	285.5	288.3	299.4	313.6	324.8	339.9	351.6	350.0	351.1	-4.3	-0.5	15.1	298.3	296.7	341.6
3. Social Insurance	513.7	527.4	529.2	537.4	547.1	561.1	569.2	578.7	588.9	602.8	6.3	5.6	7.3	506.9	535.3	574.5
Plus:																
4. Government Transfers	679.0	708.1	716.4	727.9	739.4	762.2	770.5	780.2	793.4	816.6	9.1	9.6	7.4	659.7	723.0	776.6
5. Social Security, etc	356.8	371.4	373.4	378.0	383.7	396.8	400.2	405.3	410.8	423.9	7.8	7.4	7.1	350.7	376.6	403.3
6. Unemployment Benefits	20.9	24.2	26.7	28.0	27.1	26.9	26.6	26.5	26.2	25.9	24.1	45.8	0.2	18.2	26.5	26.6
7. Veterans Benefits	17.9	18.7	18.8	19.1	19.6	20.5	20.9	21.4	21.7	22.3	3.3	6.4	10.9	17.9	19.1	21.1
8. Employees Retirement	98.6	104.7	104.6	105.3	106.5	110.1	110.6	111.3	113.4	117.5	7.5	8.6	5.8	96.9	105.3	111.4
9. A. F. D. C.	20.5	21.0	21.5	21.9	22.1	22.6	22.9	23.2	23.7	24.3	10.2	9.3	6.8	19.8	21.6	23.1
10. Other Govt Transfers	164.4	168.2	171.4	175.7	180.4	185.3	189.3	192.5	197.6	202.7	12.3	11.3	9.9	156.3	173.9	191.2
11. Business Transfers	36.0	36.7	37.4	38.1	38.8	39.5	40.2	41.0	41.7	42.4	8.2	7.7	7.5	35.1	37.8	40.6
12. Interest Transfers	219.6	220.5	222.3	221.9	223.4	225.4	230.7	233.3	237.1	239.3	8.0	3.9	4.3	213.8	222.0	231.6
13. Personal Dividends	126.7	126.7	127.1	127.6	128.4	129.3	130.4	131.7	133.0	134.3	8.1	3.0	2.9	123.8	127.5	131.1
Equals:																
14. Personal Income	4718.5	4735.2	4766.4	4824.7	4903.0	4992.6	5063.4	5137.2	5220.6	5308.1	6.0	3.5	6.2	4645.5	4807.3	5103.5
Less:																
15. Personal Tax Payments	716.6	718.3	725.4	735.3	752.1	760.5	777.2	789.2	806.1	812.8	6.2	4.8	6.9	699.4	732.8	783.3
Equals:																
16. Personal Disposable Inc	4001.9	4016.9	4041.0	4089.4	4150.9	4232.1	4286.2	4348.0	4414.5	4495.3	5.9	3.3	6.0	3946.1	4074.6	4320.2
Less:																
17. Personal Consumption	3724.9	3741.1	3793.9	3842.3	3901.0	3962.2	4022.3	4083.0	4149.5	4216.8	6.0	4.4	6.1	3657.3	3819.6	4054.3
18. Other Outlays	109.5	109.8	109.8	110.1	110.4	110.8	111.3	111.9	112.5	112.9	4.9	1.2	1.5	108.7	110.0	111.6
Equals:																
19. Personal Savings	167.5	165.9	137.3	137.0	139.5	159.1	152.6	153.1	152.5	165.6	4.8	-19.5	6.5	180.1	144.9	154.3
20. Savings Rate(%, AR)	4.2	4.1	3.4	3.4	3.4	3.8	3.6	3.5	3.5	3.7	-1.1	-21.9	0.7	4.6	3.6	3.6

Table 5.

U. S. Federal Government Activity
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Government Receipts	1126.5	1139.2	1148.5	1176.2	1205.5	1226.0	1252.1	1273.9	1298.6	1315.8	5.4	5.2	8.2	1109.7	1167.4	1262.7
2. Personal Tax & Nontax	505.5	505.1	510.4	516.7	529.0	533.1	545.6	553.3	565.9	568.9	6.2	4.6	6.6	492.8	515.3	549.5
3. Corporate Profits Tax	104.1	95.6	96.9	111.0	119.2	122.4	129.0	134.2	136.9	137.9	-1.7	-2.6	23.6	108.5	105.7	130.6
4. Indirect Business Tax	64.6	73.2	74.6	75.2	75.6	76.3	76.7	77.3	77.8	78.5	5.6	21.0	3.2	61.7	74.7	77.0
5. Social Security Contr	452.3	465.3	466.6	473.5	481.7	494.2	500.8	509.1	518.0	530.5	6.3	5.6	7.2	446.7	471.8	505.5
6. Government Expenditures	1310.8	1245.8	1299.0	1341.0	1383.0	1396.1	1421.6	1434.3	1458.1	1475.0	7.5	3.3	8.4	1275.7	1317.2	1427.5
7. Purchases of Goods and Services	437.6	442.3	443.1	445.7	446.1	450.4	450.8	456.5	456.3	461.2	6.0	4.8	2.1	424.0	444.3	453.5
8. Defense	325.0	330.0	328.6	327.8	327.6	329.2	329.3	329.8	329.0	332.8	4.2	4.8	0.3	313.6	328.5	329.3
9. Durables	93.6	92.6	90.3	89.4	88.6	86.9	86.5	86.7	86.1	85.8	5.3	6.0	-4.1	85.1	90.2	86.6
10. Nondurables	18.4	14.5	14.9	15.2	15.6	15.1	15.4	15.9	15.7	15.5	24.2	16.0	3.2	13.0	15.1	15.5
11. Military Payroll	83.5	88.2	89.5	89.3	89.0	90.3	89.8	89.3	89.0	91.8	4.7	7.8	0.7	82.6	89.0	89.6
12. Civilian Payroll	42.2	44.1	44.8	44.9	44.5	46.4	46.6	46.4	46.1	47.5	4.1	6.6	4.0	41.8	44.6	46.4
13. Other Services	81.5	85.4	83.6	83.2	84.2	84.5	84.9	85.4	86.1	86.3	0.5	-0.8	1.3	84.8	84.1	85.2
14. Structures	5.7	5.2	5.5	5.8	5.7	6.0	6.1	6.1	6.0	5.9	-1.9	-11.9	9.0	6.3	5.6	6.1
15. Nondefense	112.6	112.3	114.5	117.9	118.5	121.2	121.5	126.7	127.3	128.4	11.6	4.9	7.2	110.4	115.8	124.2
16. Durables	6.0	5.9	5.9	6.0	6.1	6.1	6.3	6.2	6.4	6.4	7.0	4.8	4.6	5.7	6.0	6.3
17. Nondurables	4.8	1.9	3.4	6.6	6.0	4.7	3.1	8.1	6.8	4.4				4.4	4.5	5.7
18. CCC Inventory Chg	-1.4	-3.6	-1.9	1.3	0.2	-1.4	-3.2	1.4	0.3	-2.2				-2.4	-1.0	-0.7
19. Other Nondurables	6.2	5.5	5.3	5.3	5.8	6.1	6.3	6.7	6.5	6.6	1.5	-19.8	16.9	6.8	5.5	6.4
20. Compensation	54.1	56.3	56.1	56.0	56.5	59.7	60.1	60.8	61.5	64.3	9.3	3.9	7.6	54.1	56.2	60.5
21. Other Services	38.8	38.9	39.9	40.3	40.6	41.2	42.5	42.0	42.8	43.4	6.3	5.6	5.5	37.8	39.9	42.1
22. Structures	8.9	9.3	9.2	9.0	9.3	9.5	9.5	9.6	9.8	9.8	18.9	10.2	4.3	8.4	9.2	9.6
23. Transfer Payments	518.5	457.3	500.6	543.8	575.5	582.6	593.1	598.5	612.2	623.4	8.4	1.5	14.9	511.4	519.3	596.6
24. Grants-In-Aid to State and Local Govt	135.8	136.8	138.5	139.7	142.2	145.3	147.6	149.3	152.3	154.9	11.2	6.0	6.7	131.4	139.3	148.6
25. Net Interest Paid	193.0	193.7	195.6	195.5	197.5	200.2	206.7	210.9	215.7	219.6	8.3	5.0	6.5	186.3	195.6	208.4
26. Deficit of Government Enterprises	25.9	15.7	21.0	16.4	21.7	17.6	23.4	19.1	21.6	15.9	-9.0	-17.9	9.2	22.8	18.7	20.4
27. Federal Surplus	-184.3	-106.6	-150.5	-164.9	-177.5	-170.1	-169.5	-160.4	-159.5	-159.2	23.7	-9.8	10.0	-166.1	-149.9	-164.9
28. State and Local Surplus	25.7	22.3	19.2	22.1	25.8	29.4	33.1	37.2	39.6	41.5	-23.7	-36.9	55.8	35.4	22.4	34.8
29. Total Government Surplus	-158.6	-84.3	-131.3	-142.8	-151.7	-140.7	-136.4	-123.2	-119.9	-117.7	48.7	-2.4	2.0	-130.6	-127.5	-130.1
30. Federal Debt held by Individuals	2329.2	2386.6	2422.6	2491.8	2555.9	2632.1	2671.4	2730.7	2778.6	2847.6	15.5	5.8	9.7	2329.2	2464.2	2703.2

Table 6.

Selected Economic Variables in the U. S. Economy
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
PRICES																
1. Consumer Price Index	133.7	134.7	135.8	137.1	138.4	139.9	141.3	142.6	144.1	145.8	5.4	4.5	4.0	130.7	136.5	142.0
2. % Change (AR)	6.6	3.0	3.3	3.9	3.8	4.4	4.1	3.7	4.3	4.8						
3. PPI - Indust. Commodities	120.3	116.6	116.1	117.2	118.4	119.3	120.2	121.4	122.4	123.6	3.7	1.1	3.2	115.8	117.1	120.8
4. % Change (AR)	16.1	-11.6	-1.7	3.8	4.2	3.1	3.1	4.1	3.3	4.0						
5. PPI - Finished Goods	122.4	121.7	121.1	121.9	122.7	123.8	124.7	125.4	126.7	128.0	5.0	2.2	2.7	119.2	121.8	125.2
6. % Change (AR)	10.6	-2.4	-1.8	2.7	2.7	3.6	2.9	2.3	4.2	4.2						
CORPORATE ECONOMY																
7. After Tax Profits	177.6	164.0	165.7	182.6	194.7	195.3	205.0	210.7	213.1	213.8	0.0	2.4	16.6	172.6	176.8	206.0
8. Inventory Profits	-13.8	9.1	-0.4	-12.3	-19.0	-11.4	-13.8	-13.3	-19.5	-19.3				-11.4	-5.7	-14.5
9. Genuine Profits	162.4	170.2	170.7	164.0	167.8	175.0	181.8	187.1	182.2	182.1	-5.9	1.2	7.9	166.1	168.2	181.5
10. Dow-Jones Index - Mean Closing	2530.0	2790.3	2973.4	3052.7	2923.6	3106.2	3227.3	3321.8	3147.6	3056.9	6.8	9.6	9.1	2678.9	2935.0	3200.7
11. New York Composite Index - Mean Closing	173.28	193.09	209.53	213.26	210.49	216.28	221.42	226.35	218.41	211.93	1.9	12.6	6.8	1894.9 183.5	1919.9 206.6	1864.2 220.6
FINANCIAL																
12. Monetary Base	320.0	331.6	337.6	343.9	350.2	356.8	362.9	368.8	374.6	380.3	6.6	10.0	7.3	309.9	340.8	365.8
13. Checkable Deposits	578.2	580.8	589.0	597.9	606.7	620.2	628.8	636.3	645.8	655.4	1.9	2.9	6.6	576.7	593.6	632.8
14. M1	823.3	835.3	848.7	862.2	875.9	894.1	907.3	919.4	933.5	947.7	3.7	5.3	6.8	812.2	855.5	913.6
15. Velocity of M1	6.714	6.659	6.613	6.600	6.610	6.583	6.577	6.592	6.591	6.590	1.4	-1.6	-0.5	6.729	6.620	6.586
16. M2	3326.3	3355.9	3413.3	3465.8	3524.1	3588.4	3643.6	3700.5	3754.9	3810.8	5.2	4.5	6.7	3293.1	3439.8	3671.9
17. Velocity of M2	1.662	1.657	1.644	1.642	1.643	1.640	1.638	1.638	1.639	1.639	-0.1	-0.8	-0.5	1.660	1.6	1.6
INTEREST RATES																
18. Federal Funds Rate	7.74	6.43	5.81	5.77	5.96	6.03	6.42	6.97	7.26	7.28	-12.1	-26.0	11.3	8.1	6.0	6.7
19. Prime Rate	10.00	9.19	8.67	8.50	8.50	8.93	9.36	9.82	10.25	10.25	-7.9	-12.9	10.0	10.0	8.7	9.6
20. 3 Month Treasury Bill	6.99	6.02	5.71	5.66	5.84	6.07	6.31	6.73	7.08	6.92	-7.6	-22.5	12.7	7.5	5.8	6.5
21. 6 Month Treasury Bill	6.96	6.04	5.77	5.73	5.96	6.20	6.45	6.88	7.16	6.97	-7.2	-21.2	13.6	7.5	5.9	6.7
22. 1 Year Treasury Bond	7.30	6.44	6.11	6.05	6.32	6.57	6.93	7.13	7.38	7.33	-7.6	-21.0	12.4	7.9	6.2	7.0
23. 7 Year Treasury Bond	8.29	7.98	7.76	7.52	7.73	7.96	8.27	8.36	8.58	8.72	0.0	-9.0	7.0	8.5	7.7	8.3
24. 30 Year Treasury Bond	8.55	8.20	8.14	7.91	8.12	8.23	8.49	8.52	8.67	8.84	1.9	-6.0	4.8	8.6	8.1	8.5
25. Seasoned AAA Corps	9.29	8.93	8.81	8.66	8.92	9.07	9.53	9.69	9.84	10.03	0.7	-5.3	7.9	9.3	8.8	9.5
26. FHA Mortgage Rate	9.95	9.50	9.28	9.11	9.44	9.71	9.93	10.27	10.54	10.68	-1.9	-7.9	8.3	10.1	9.3	10.1
ADDITIONAL INDICATORS																
27. Housing Starts	1042	920	957	1030	1074	1120	1178	1208	1204	1213	-12.9	-17.6	18.3	1208	995	1178
28. Single Family Starts	786	712	761	809	836	864	889	906	904	916	-10.4	-13.9	14.3	905	779	891
29. Multiple Family Starts	256	208	196	221	238	256	289	302	300	297	-19.7	-28.7	32.9	302	216	287
30. Unit Auto Sales	8.93	7.95	8.53	8.58	8.81	8.93	9.06	9.13	9.24	9.20	-4.1	-10.9	7.4	9.50	8.47	9.09
31. Industry Production Indx	108.5	105.9	105.3	105.6	106.5	107.6	108.5	109.3	110.2	110.8	1.0	-3.1	2.9	109.2	105.8	108.9
32. Capacity Utilization	81.7	79.3	78.3	78.0	78.2	78.5	78.7	78.8	79.0	79.0	-1.4	-5.5	0.4	83.0	78.4	78.8

Table 7.

U. S. Foreign Trade Accounts
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
MERCHANDISE TRADE (Seasonally Adjusted Annual Rates)																
1. Merchandise Exports (fas)	410024	406877	406270	408140	430190	433120	442410	444670	464580	468210	8.4	4.7	8.1	394457	412869	446195
2. Food, Feed & Beverages	32508	34945	33520	34460	34160	35680	36220	37820	37930	39210	-4.9	-3.1	7.7	35379	34271	36913
3. Ind. Supplies & Mat'ls	114149	115511	114790	115240	126410	127460	129410	129720	137240	138420	5.1	13.0	11.0	104410	117988	130958
4. Capital Goods exc Autos	154340	151521	150410	149760	152460	153340	155830	154760	158730	159660	10.0	-1.0	3.1	152632	151038	155665
5. Automotive Goods	35519	34271	35720	34890	35870	35560	37620	37830	39120	39070	3.6	-2.5	6.7	36097	35188	37533
6. Consumer Goods ex Autos	45990	47508	48860	49670	52680	54430	56650	56780	60140	62070	19.1	14.5	14.7	43380	49680	57000
7. Other Merchandise	27518	23122	22970	24120	28610	26650	26680	27760	31420	29780	30.8	9.5	13.9	22560	24705	28128
8. Merchandise Imports (cv)	514728	481865	488215	500367	513728	511542	522066	537546	547105	548410	5.9	-1.8	6.8	494891	496044	529565
9. Food, Feed & Beverages	25906	25977	25750	25940	26610	26850	27310	27540	28610	29040	5.9	-1.8	5.8	26543	26069	27578
10. Ind. Supplies & Mat'ls	156912	135912	137365	139787	148528	149642	153656	157986	161415	163190	8.2	-1.9	10.9	143117	140398	155675
11. Capital Goods exc Autos	122078	119411	117670	119940	121420	120820	122260	124730	126650	126140	3.5	2.0	3.3	117320	119610	123615
12. Automotive Goods	85122	83065	86920	89430	89930	90140	92360	95620	96430	97210	0.0	1.4	7.2	86122	87336	93638
13. Consumer Goods ex Autos	107659	102451	104620	108420	109420	107460	109250	113420	114460	113810	2.5	0.7	4.6	105446	106228	111148
14. Other Merchandise	17051	15049	15890	16850	17820	16630	17230	18250	19540	19020	20.2	0.4	9.2	16344	16402	17913
CRUDE ENERGY-RELATED PETROLEUM IMPORTS (Annual Rates Not Seasonally Adjusted)																
15. - Cost in $(millions)	75001.3	54154.9	55565.0	56786.7	63527.9	63641.6	66155.5	68986.4	70415.3	70690.7	23.9	-5.3	17.0	60744.6	57508.6	67299.7
16. - Barrels(millions)	2654.7	2534.8	2885.0	3041.6	3106.5	3086.4	3129.4	3183.5	3164.7	3178.5	2.5	-3.3	8.6	2989.7	2892.0	3141.0
17. - Cost in Dollars/Bbl	28.25	21.36	19.26	18.67	20.45	20.62	21.14	21.67	22.25	22.24	22.6	-3.1	7.4	20.58	19.94	21.42
FOREIGN TRANSACTIONS (Seasonally Adjusted Annual Rates)																
18. Total Exports	697.4	692.2	677.1	690.5	714.9	732.7	742.9	755.8	771.5	791.9	7.4	3.1	8.2	672.8	693.7	750.7
19. Mdse Exports	409.1	416.9	406.3	413.1	430.2	443.1	447.4	454.7	464.6	478.2	7.6	4.7	8.6	398.0	416.6	452.5
20. Factor Income	144.8	137.8	131.6	134.2	137.9	140.2	143.7	146.5	149.2	153.4	1.6	-1.5	7.0	137.4	135.4	144.9
21. Other Services	143.5	137.5	139.2	143.2	146.8	149.4	151.8	154.6	157.7	160.3	13.5	3.1	8.3	137.5	141.7	153.4
22. Total Imports	726.2	684.7	690.2	703.7	722.8	732.5	747.4	763.8	779.5	792.5	4.7	-0.5	7.9	704.1	700.4	755.8
23. Mdse Imports	520.9	493.7	498.2	505.4	518.7	521.5	532.1	542.5	552.1	558.4	4.5	0.3	6.6	502.7	504.0	537.1
24. Factor Income	94.0	84.8	82.7	84.9	88.3	92.6	94.7	97.8	101.2	104.7	-2.0	-11.0	13.4	95.7	85.2	96.6
25. Other Services	111.2	106.2	109.3	113.4	115.8	118.4	120.6	123.5	126.2	129.4	12.6	5.3	9.9	105.6	111.2	122.2
26. Net Transfer Payments	10.2	-75.6	-36.2	-0.5	24.8	13.6	19.4	18.7	23.8	15.2	4.7	--	--	15.5	-21.9	18.9
27. Government Interest	39.7	39.4	39.1	39.4	39.9	40.8	42.1	43.8	45.1	46.9	7.8	1.8	8.9	38.8	39.5	43.0
28. Net Foreign Investment	-78.7	43.7	-16.0	-53.1	-72.6	-54.2	-66.0	-70.5	-76.9	-62.7	-11.7	--	--	-85.5	-24.5	-66.9
29. Trade Weighted Value of Dollar (3/73 = 100)	82.97	84.58	88.43	89.12	86.43	88.84	88.21	87.54	85.81	87.68	-9.6	-2.1	0.2	89.0	87.1	87.3

Table 8.

Personal Consumption Expenditure Implicit Price Deflators
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Durable Goods	112.7	113.1	113.6	113.8	114.4	115.2	115.7	116.1	117.0	117.8	1.3	1.2	2.0	112.4	113.7	116.0
2. Percent Change(AR)	1.6	1.3	1.6	0.9	2.2	2.7	1.9	1.3	3.1	2.8						
3. Automobiles	120.4	121.6	122.1	122.3	123.0	123.9	124.6	124.8	125.7	126.8	0.9	2.0	2.0	119.9	122.2	124.8
4. Percent Change(AR)	2.8	4.3	1.5	0.7	2.3	2.9	2.2	0.8	3.0	3.4						
5. Furniture	98.4	98.2	97.9	97.8	97.9	98.1	98.0	98.1	98.4	98.7	0.4	-0.4	0.2	98.3	98.0	98.1
6. Percent Change(AR)	0.8	-0.6	-1.1	-0.5	0.5	0.7	-0.4	0.5	1.2	1.4						
7. Other Durables	130.6	132.3	133.7	134.9	136.1	138.1	139.6	140.9	143.0	144.6	5.5	3.9	4.6	129.3	134.3	140.4
8. Percent Change(AR)	2.2	5.1	4.5	3.6	3.7	5.7	4.7	3.6	6.0	4.7						
9. Nondurables	134.9	135.2	136.2	137.3	138.6	140.3	141.8	143.1	144.8	146.4	6.7	4.5	4.1	131.0	136.9	142.5
10. Percent Change(AR)	10.9	0.9	3.0	3.3	3.7	5.0	4.4	3.7	4.7	4.7						
11. Food	138.8	140.5	141.5	142.7	143.8	145.3	146.8	148.1	149.6	151.4	6.2	4.1	3.8	136.6	142.1	147.4
12. Percent Change(AR)	4.9	5.1	2.9	3.5	3.1	4.3	4.2	3.6	4.1	4.9						
13. Apparel	124.0	127.8	128.7	128.3	129.2	131.5	132.8	132.6	134.5	135.9	4.2	4.0	3.4	123.5	128.5	132.8
14. Percent Change(AR)	0.8	12.8	3.0	-1.3	2.9	7.3	4.0	-0.7	5.9	4.3						
15. Gasoline and Oil	115.6	100.9	101.4	103.6	104.9	105.9	107.2	109.5	110.5	111.7	14.1	3.8	5.4	98.9	102.7	108.3
16. Percent Change(AR)	81.9	-42.1	2.2	8.8	5.1	3.7	5.4	8.8	3.5	4.3						
17. Fuel Oil	115.6	100.6	98.3	99.4	102.2	105.4	106.6	108.2	110.6	111.0	20.0	3.8	7.6	96.5	100.1	107.7
18. Percent Change(AR)	135.1	-42.7	-8.6	4.6	11.6	13.2	4.3	6.5	8.8	1.8						
19. Other Nondurables	148.6	151.4	152.9	154.7	156.6	158.4	160.3	162.4	164.3	166.4	5.6	5.7	4.8	145.7	153.9	161.3
20. Percent Change(AR)	4.7	7.7	4.0	4.8	5.0	4.6	4.9	5.3	4.8	5.3						
21. Services	150.4	151.9	153.4	154.9	156.7	158.6	160.4	162.2	164.2	166.3	4.7	4.5	4.6	147.7	154.2	161.4
22. Percent Change(AR)	5.1	4.1	4.1	4.0	4.6	5.1	4.4	4.6	5.1	5.3						
23. Housing	154.0	155.3	157.0	158.6	160.0	161.6	163.3	165.2	166.8	168.6	5.2	4.5	4.1	151.0	157.7	164.2
24. Percent Change(AR)	3.5	3.5	4.5	4.2	3.6	4.1	4.3	4.8	3.9	4.4						
25. Electricity and Gas	119.7	122.8	121.8	120.4	122.9	124.9	124.2	123.1	125.4	127.0	2.0	3.0	2.0	118.4	122.0	124.4
26. Percent Change(AR)	11.1	10.8	-3.4	-4.2	8.6	6.5	-2.4	-3.2	7.4	5.2						
27. Other Household Opns	134.1	136.6	137.7	138.1	139.1	140.3	141.4	142.2	143.4	144.9	2.2	3.5	2.9	133.2	137.9	141.9
28. Percent Change(AR)	3.1	7.5	3.4	1.0	3.2	3.4	3.2	2.2	3.5	4.2						
29. Transportation	138.7	142.8	144.3	145.6	147.4	149.2	150.9	152.6	154.5	156.3	4.3	6.5	4.7	136.1	145.0	151.8
30. Percent Change(AR)	7.7	12.2	4.3	3.6	5.1	4.9	4.7	4.4	5.1	4.7						
31. Medical Care	163.9	166.1	168.5	171.1	173.7	176.5	179.2	182.0	184.8	187.9	5.6	5.9	6.3	160.4	169.8	180.6
32. Percent Change(AR)	6.6	5.4	5.9	6.3	6.2	6.6	6.2	6.3	6.4	6.9						
33. Other Services	149.5	149.2	150.6	152.0	153.4	155.2	156.8	158.5	160.5	162.4	4.3	3.0	4.3	146.9	151.3	157.7
34. Percent Change(AR)	4.4	-0.7	3.7	3.8	3.7	4.8	4.2	4.5	5.1	4.8						

Table 9.

Gross National Product Implicit Price Deflators
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
1. Gross National Product	133.1	134.9	136.2	137.2	138.3	139.8	141.0	142.2	143.7	145.4	4.1	4.0	3.7	131.5	136.7	141.7
2. Percent Change(AR)	2.8	5.5	3.9	3.0	3.2	4.4	3.5	3.4	4.3	4.8						
3. Personal Consumption	139.3	140.4	141.6	142.8	144.2	145.8	147.3	148.7	150.5	152.3	5.0	4.3	4.1	136.4	142.3	148.1
4. Percent Change(AR)	6.9	3.2	3.5	3.4	4.0	4.5	4.2	3.9	4.9	4.9						
5. Consumer Price Index	133.7	134.7	135.8	137.1	138.4	139.9	141.3	142.6	144.1	145.8	5.4	4.5	4.0	130.7	136.5	142.0
6. Percent Change(AR)	6.6	3.0	3.3	3.9	3.8	4.4	4.1	3.7	4.3	4.8						
7. Private Domestic Invest	106.4	106.9	107.4	107.8	108.6	109.3	109.6	110.4	110.9	111.4	0.0	0.1	2.2	107.6	107.7	110.1
8. Percent Change(AR)	-9.2	1.7	2.2	1.5	2.8	2.6	1.3	2.8	1.9	1.6						
9. Structures	122.1	123.1	123.9	124.6	125.4	126.1	126.9	127.7	128.7	129.6	1.8	2.2	2.5	121.6	124.3	127.4
10. Percent Change(AR)	-1.0	3.3	2.6	2.3	2.6	2.3	2.6	2.5	3.2	2.8						
11. Producer's Durables	94.7	95.0	94.9	94.7	95.0	95.4	95.2	95.6	95.7	96.0	0.3	-0.7	0.6	95.6	94.9	95.5
12. Percent Change(AR)	-7.3	1.3	-0.4	-0.8	1.3	1.7	-0.8	1.7	0.4	1.3						
13. Residential Structures	125.7	125.6	125.8	126.2	126.7	127.2	127.8	128.4	129.1	129.9	1.6	0.4	1.6	125.6	126.1	128.1
14. Percent Change(AR)	-0.9	-0.3	0.6	1.3	1.6	1.6	1.9	1.9	2.2	2.5						
15. Exports	107.8	107.1	107.5	108.1	108.7	109.4	110.0	110.7	111.6	112.5	0.9	1.2	2.4	106.6	107.9	110.4
16. Percent Change(AR)	4.2	-2.6	1.5	2.3	2.2	2.6	2.2	2.6	3.3	3.3						
17. Imports	110.7	106.3	105.6	106.4	107.1	107.9	108.6	109.3	110.1	111.0	1.9	0.5	2.5	105.9	106.4	109.0
18. Percent Change(AR)	21.2	-15.0	-2.6	3.1	2.7	3.0	2.6	2.6	3.0	3.3						
19. Federal	125.1	127.6	127.5	128.5	129.5	132.2	132.5	133.4	134.6	137.8	3.3	4.0	3.8	123.4	128.3	133.2
20. Percent Change(AR)	7.0	8.2	-0.3	3.2	3.1	8.6	0.9	2.7	3.6	9.9						
21. Federal Purchases	116.1	116.3	115.8	117.1	118.3	119.4	119.6	121.2	122.6	124.0	2.3	2.9	3.3	113.6	116.9	120.7
22. Percent Change(AR)	10.5	0.9	-1.7	4.5	4.2	3.9	0.7	5.5	4.7	4.7						
23. Federal Value Added	140.7	146.6	147.4	147.9	148.3	153.6	153.9	154.0	154.7	160.5	5.0	5.5	4.4	139.9	147.6	154.1
24. Percent Change(AR)	2.0	17.9	2.2	1.4	1.1	15.1	0.8	0.3	1.8	15.9						
25. State & Local	144.1	145.2	146.1	147.6	149.2	151.0	152.3	154.0	155.9	157.8	4.6	4.1	4.3	141.3	147.0	153.3
26. Percent Change(AR)	6.0	3.1	2.5	4.2	4.4	4.9	3.5	4.5	5.0	5.0						
27. State/Local Purchases	129.8	129.5	129.4	130.3	131.5	132.9	133.1	134.6	136.1	137.7	3.7	2.4	3.1	127.1	130.2	134.2
28. Percent Change(AR)	8.1	-1.1	-0.3	2.8	3.8	4.2	0.6	4.7	4.4	4.9						
29. State/Local Value Added	156.0	158.0	160.0	162.1	164.1	166.1	168.1	170.1	172.3	174.5	5.4	5.3	5.0	153.0	161.1	169.2
30. Percent Change(AR)	5.3	5.2	5.2	5.4	5.0	5.0	4.9	4.8	5.3	5.2						

Table 10.

Details of Private Consumption in the U. S.
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
Current Dollars																
1. Durable Goods	468.5	456.8	466.6	468.1	476.0	482.8	488.9	493.2	501.6	505.2	1.2	-2.8	5.3	480.3	466.9	491.6
2. Autos, Trucks & Parts	203.9	192.3	202.4	204.1	210.2	214.2	218.5	220.8	224.8	226.2	-1.1	-5.1	8.6	213.0	202.3	219.6
3. Furniture	173.4	174.4	173.8	173.2	173.9	175.0	175.3	175.9	177.3	178.5	2.9	-1.4	1.2	176.4	173.8	175.9
4. Other	91.3	90.2	90.4	90.8	91.9	93.6	95.1	96.5	99.5	100.5	3.6	-0.1	5.9	91.0	90.8	96.2
5. Nondurable Goods	1216.0	1209.8	1220.1	1236.1	1252.5	1268.8	1285.9	1303.1	1320.0	1337.5	5.6	3.0	5.3	1193.7	1229.6	1294.5
6. Food	629.4	636.5	643.1	650.6	657.4	665.2	673.2	681.1	688.9	697.8	4.9	3.5	4.7	624.7	646.9	677.1
7. Clothing & Shoes	211.5	212.2	213.4	216.3	219.4	221.7	224.7	227.1	229.3	233.2	4.2	1.0	4.8	213.2	215.3	225.7
8. Gasoline & Oil	109.4	93.4	93.7	95.5	96.6	97.7	99.2	101.1	102.3	103.5	11.9	1.1	5.6	93.8	94.8	100.1
9. Fuel Oil & Coal	19.3	17.7	17.6	17.8	18.5	19.4	19.5	19.7	19.9	20.1	4.8	-3.2	9.6	18.5	17.9	19.6
10. Other	246.3	250.0	252.3	255.9	260.6	264.8	269.3	274.1	279.6	282.9	6.5	4.6	6.8	243.4	254.7	272.0
11. Services	2040.4	2074.5	2107.2	2138.1	2172.5	2210.6	2247.5	2286.7	2327.9	2374.1	7.5	7.0	6.8	1983.3	2123.1	2268.2
12. Housing	582.1	587.1	593.9	600.3	606.1	612.8	619.9	627.8	634.5	642.2	6.6	4.8	4.5	569.5	596.9	623.8
13. Utilities	99.1	98.0	98.5	97.8	100.2	102.3	102.3	102.2	104.8	106.9	-1.4	2.3	4.3	96.4	98.6	102.9
14. Other	116.4	118.4	119.8	120.8	122.3	123.9	125.6	127.0	128.8	131.0	5.8	4.7	5.0	115.0	120.3	126.3
15. Transportation	141.5	144.5	147.2	149.8	152.7	155.3	158.3	161.1	164.2	167.2	8.0	8.7	7.5	136.6	148.6	159.7
16. Medical Care	503.8	514.4	525.7	537.4	549.4	563.4	577.7	592.4	608.2	625.9	11.3	10.0	10.1	483.4	531.7	585.4
17. Other	597.6	612.0	622.1	632.0	641.8	652.9	663.7	676.2	687.4	700.9	7.0	7.6	6.9	582.5	627.0	670.1
Constant Dollars																
18. Durable Goods	415.6	403.9	410.9	411.3	416.0	419.1	422.4	424.7	428.6	428.7	-0.1	-3.9	3.2	427.4	410.5	423.7
19. Autos, Trucks & Parts	169.4	158.1	165.8	166.9	170.9	172.9	175.4	176.9	178.8	178.4	-2.1	-6.9	6.4	177.7	165.4	176.0
20. Furniture	176.3	177.6	177.5	177.1	177.6	178.4	178.9	179.3	180.2	180.8	2.5	-1.1	1.0	179.4	177.5	179.2
21. Other	69.9	68.2	67.6	67.3	67.5	67.8	68.1	68.5	69.6	69.5	-1.7	-3.8	1.3	70.4	67.7	68.5
22. Nondurable Goods	901.2	894.6	895.6	900.0	903.6	904.3	906.6	910.5	911.8	913.3	-1.0	-1.4	1.1	911.1	898.5	908.3
23. Food	453.6	453.1	454.5	455.9	457.2	457.8	458.6	459.9	460.5	460.9	-1.2	-0.5	0.9	457.4	455.2	459.2
24. Clothing & Shoes	170.6	166.1	165.8	168.6	169.8	168.6	169.2	171.3	170.5	171.6	0.0	-2.9	1.4	172.6	167.6	169.9
25. Gasoline & Oil	94.6	92.6	92.4	92.2	92.1	92.3	92.5	92.3	92.6	92.7	-1.9	-2.6	0.1	94.8	92.3	92.4
26. Fuel Oil & Coal	16.7	17.6	17.9	17.9	18.1	18.4	18.3	18.2	18.0	18.1	-12.6	-6.8	2.0	19.2	17.9	18.2
27. Other	165.7	165.1	165.0	165.4	166.4	167.2	168.0	168.8	170.2	170.0	0.8	-1.0	1.9	167.1	165.5	168.6
28. Services	1356.7	1365.5	1373.3	1380.0	1386.5	1393.4	1401.4	1410.0	1417.5	1427.2	2.6	2.5	2.1	1343.1	1376.3	1405.6
29. Housing	378.1	378.1	378.3	378.5	378.8	379.2	379.6	380.0	380.4	380.9	1.4	0.3	0.4	377.1	378.4	379.8
30. Utilities	82.8	79.8	80.9	81.2	81.5	81.9	82.4	83.0	83.6	84.2	-3.3	-0.7	2.3	81.4	80.9	82.7
31. Other	86.8	86.7	87.0	87.5	87.9	88.3	88.8	89.3	89.8	90.4	3.5	1.1	2.0	86.3	87.3	89.1
32. Transportation	102.0	101.2	102.0	102.9	103.6	104.1	104.9	105.6	106.3	107.0	3.6	2.1	2.7	100.4	102.4	105.2
33. Medical Care	307.3	309.7	312.0	314.1	316.3	319.2	322.4	325.6	329.1	333.1	5.4	3.8	3.5	301.5	313.0	324.1
34. Other	399.7	410.1	413.1	415.8	418.4	420.7	423.3	426.6	428.3	431.6	2.6	4.5	2.5	396.5	414.4	424.7

Table 11.

Productivity and Employment in the U. S. Economy
for 1990-IV and 1991-I with Forecasts for 1991-II through 1993-I

Georgia State University
College of Business Administration
Economic Forecasting Center
May 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	IV 90	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	90/89	91/90	92/91	1990	1991	1992
PRODUCTIVITY																
1. Private Domestic Wage Component - %Chg(AR)	4.2	4.4	4.0	4.9	4.6	4.2	4.4	4.6	4.6	4.3				4.2	4.5	4.5
2. Private Productivity % Change(AR)	1.3	1.6	2.1	1.1	1.0	0.6	0.1	0.6	0.1	-0.5				0.0	1.2	0.7
3. Implicit Unit Labor Cost % Change(AR)	2.9	2.8	1.9	3.7	3.6	3.5	4.2	4.0	4.5	4.8				4.1	3.3	3.7
4. Private Domestic Price Deflator - %Chg(AR)	2.3	5.0	3.9	2.9	3.2	4.0	3.5	3.5	4.4	4.4				3.9	3.7	3.6
EMPLOYMENT																
5. Civilian Employment	117564	116865	117078	117507	118084	118673	119226	119770	120353	120865	0.5	-0.5	1.8	117917	11[illegible]83	119506
6. Private Employment	91884	91212	90795	91100	91606	92135	92547	93068	93515	93979	1.5	-0.9	1.8	92037	91178	92816
7. Manufacturing Employment	18796	18485	18294	18236	18250	18279	18293	18322	18358	18374	-1.9	-3.9	0.0	19063	18316	18313
8. Durable Manufacturing	10907	10667	10528	10475	10482	10496	10502	10520	10549	10560	-2.6	-5.3	-0.2	11123	10538	10517
9. Nondurable Mfg	7889	7818	7766	7761	7768	7783	7791	7802	7809	7814	-0.8	-2.0	0.2	7940	7778	7796
10. Mining	737	736	731	732	728	743	747	752	755	756	5.1	-0.5	2.4	735	732	749
11. Contract Construction	5035	4830	4754	4842	4900	4962	5019	5074	5104	5129	0.2	-7.2	4.3	5208	4831	5040
12. Transport & Communication	5873	5859	5831	5839	5858	5868	5885	5896	5905	5918	3.4	0.1	0.7	5839	5847	5888
13. Transportation	3658	3640	3615	3620	3634	3641	3653	3662	3668	3677	5.0	0.2	0.8	3621	3627	3656
14. Communication	2215	2218	2216	2219	2224	2227	2230	2234	2237	2241	0.9	0.1	0.6	2218	2219	2232
15. Trade	26077	25864	25672	25672	25772	25875	25991	26121	26165	26389	1.2	-1.6	1.1	26150	25745	26038
16. Retail Trade	19734	19591	19447	19445	19526	19603	19687	19781	19784	19967	1.1	-1.4	1.1	19789	19502	19714
17. General Merchandise	2437	2382	2349	2348	2360	2371	2382	2393	2401	2410	-2.1	-4.9	1.1	2483	2360	2387
18. Food	3312	3305	3291	3294	3308	3317	3332	3345	3358	3371	3.3	0.2	1.2	3294	3299	3338
19. Automobiles	2126	2095	2080	2076	2078	2080	2085	2088	2092	2094	0.8	-2.0	0.2	2125	2082	2086
20. Eating	6627	6614	6600	6611	6637	6663	6692	6724	6748	6769	2.3	0.3	1.4	6596	6616	6707
21. Other	5231	5196	5127	5116	5143	5172	5196	5231	5185	5323	-0.1	-2.8	1.0	5292	5145	5196
22. Wholesale Trade	6343	6272	6225	6227	6246	6272	6304	6340	6381	6422	1.5	-1.9	1.3	6362	6243	6324
23. Durable	3743	3692	3665	3663	3673	3688	3711	3739	3773	3806	1.3	-2.4	1.5	3765	3673	3728
24. Nondurable	2600	2580	2560	2564	2573	2584	2593	2601	2608	2616	1.9	-1.0	1.1	2597	2569	2597
25. Finance, Insurance and Real Estate	6835	6823	6837	6869	6906	6945	6985	7022	7060	7096	1.6	0.4	2.1	6832	6859	7003
26. Services	28532	28616	28676	28910	29182	29463	29629	29881	30073	30317	4.1	2.3	3.2	28209	28846	29762
27. Government	18316	18338	18329	18383	18442	18460	18536	18567	18631	18675	2.9	0.5	1.0	18290	18373	18549
28. Federal	2962	2949	2940	2937	2946	2940	2947	2940	2933	2937	3.3	-4.6	-0.1	3085	2943	2940
29. State & Local	15354	15389	15389	15446	15496	15520	15589	15627	15698	15738	2.9	1.5	1.2	15205	15430	15609
30. Total Payroll	110200	109550	109124	109483	110048	110595	111083	111635	112146	112654	1.8	-0.7	1.7	110327	109551	111365
31. Unemployment Rate	5.9	6.5	6.8	7.0	6.8	6.7	6.7	6.7	6.6	6.5	4.8	23.1	-1.7	5.5	6.8	6.7

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FORECAST OF THE NATION

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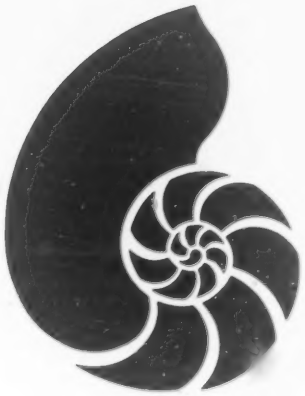
COLLEGE OF BUSINESS ADMINISTRATION

August 1991

Dr. Donald Ratajczak, Director



ECONOMIC FORECASTING CENTER

YOU CAN'T LIQUIDATE INVENTORIES FOREVER

Dr. Donald Ratajczak
Director
Economic Forecasting Center

SUMMARY

Industrial activity continues to expand and housing is showing modest gains. Some rebound in consumer durable purchases also has been spotted. In other words, all the early traces of an economic recovery have been spotted, but all are weak.

Industrial activity is rebounding only because inventory liquidation has reduced warehouse stockpiles to the point that deliveries are being delayed. Sales will be lost if production does not improve. However, basic orders for manufactured goods is showing no growth. After several months of relatively vigorous gains in activity and modest employment growth, the inventory rebound will be completed.

Modest gains in housing and consumer durable spending are following the inventory adjustment, as usual, but the vigor of these gains is limited. First, apartment builders still are being denied financing while an overhang of repossessed properties undermines construction prices in many parts of the country. Second, without significant job opportunities many of the young adults who chose to remain with their parents will still not be in the housing market. Third, consumer savings is unusually low while their borrowing remain unusually high despite six months of liquidation of installment debt in the past seven months. While a modest rebound in durable consumption can be expected, strong gains there are unlikely until employment increases more vigorously.

With no engines of growth, the economy is experiencing one of the slowest recoveries on record. Although no early relapse from this recovery is foreseen, renewed recessionary tendencies could surface after the presidential election. The sluggish recovery will restrain inflation, which should rise only 3.9% as measured by the **GNP deflator** in 1991 and remain at 3.8% in 1992. After increasing 4.2% this year, consumer prices should expand only 3.7% next year. Long-term interest rates should remain near current levels well into 1992. Then, rising wage inflation may lead to Federal Reserve restraints, especially after the election to reduce the inflation risk, raise short-term interest rates, and temporarily increase long-term rates as well. This year, the long-term government bond should average a yield of 8.2%. Next year, yields should only increase to 8.4%. While mortgage rates may again exceed 10%, such an outcome is not likely before 1993.

Housing activity, which will be the lowest in many years at 1.02 million units in 1991, should rebound to 1.2 million in 1992. Also, auto sales should rebound from 8.6 million this year to 9.4 million next year. While these gains along with the inventory rebuilding should be enough to prevent renewed recession, this strength is insufficient to generate robust growth. Following a 0.2% decline this year, **GNP** is expected to grow only 2.3% in 1992. Just as the economy was drifting into recession prior to the Persian Gulf conflict, it now is drifting out of recession. The trough of the downturn probably was in April, but many months will pass before economists are convinced that a sustainable recovery has begun.

OUTLOOK

Although industrial production has rebounded every month since April and the leading indicators have increased for five consecutive months, employment gains have been spotty. Following strong gains in May, payrolls actually declined in June and July. Moreover, the workweek shrank sharply in July, placing the economic recovery in jeopardy. Aside from a rebound in housing, some modest gains in consumer durables and the slowing of inventory liquidations, economic strength was not apparent.

Indeed, auto sales are indicative of the strength of consumer spending. Following the January slump in sales, activity has been growing gradually. In May, activity appeared to spurt, but many retailers acknowledged that an early summer probably accounted for much of the activity. Indeed, sales have again softened following that spurt. Therefore, the strong 3.6% second quarter spurt in consumer spending is largely attributed to the absence of a January sales hole, early summer sales, and a temporary spurt from postwar euphoria. All those factors have evaporated, and so has the sales momentum. Some consumer sales gains are likely during the summer, but only because the quarter ended well above quarterly averages. Indeed, wage income probably fell in July. With consumer savings already at a low 3.5%, little likelihood of further strength in consumer spending is likely unless activity elsewhere puts purchasing power in people's pockets.

One area elsewhere that is following its traditional recovery role is the housing market. Single family sales are up nearly 300,000 from January lows, and June sales of new homes were approaching previous year levels. Apartment activity, however, remains near record lows as high vacancy rates, the Resolution Trust Corporation inventory of unsold apartments, and the difficulty of financing new apartment activity all continue to restrain activity there. As vacancies fall, however, rents will rise. This should lead to profitable apartment investment within the next year.

Other construction continues to struggle. Tight state and local government budgets are restraining public construction despite some additional highway financing from the federal government. Nonresidential construction remains in a slide, although the freefall of the winter may be coming to an end. Especially weak have been hotels, commercial and retail space. No rebound is expected in this construction until the end of next year.

Certainly, government will not be a stimulus. Unusually large operating budgets are forcing state and local governments to reduce spending growth even as they raise taxes. After providing 3% growth in 1990, state and local governments will grow less than one percent in 1991, and 1992. At the same time, tax rates for state and local governments will rise more than 2% in 1992 as compared to virtually no change in 1990.

No further tax increases are expected to follow the middle of recession increases in excise taxes by the Federal government, as indirect tax receipts should slow from an 18% gain in 1991 to nominal increases in 1992. The medicare addition to social security added nearly 3% to that tax rate in this recession year, but no further significant rate changes are expected next year. However, the federal government will be unwinding defense expenditures. Defense spending in 1992 should increase less than 1%, which will trail inflation by several percentage points.

Trade provided some of the economic thrust to prevent a deep recession early this year. In the first quarter, an inflation adjusted trade surplus was achieved for goods and services. However, weakness abroad and the strengthening dollar have slowed the growth of exports. Now that inventory liquidations are easing, imports should begin to grow. Thus, no further meaningful stimulus from trade is likely

during the next two years. Exports should grow strongly (6.1% in 1992), but imports should rebound even more in a recovering economy (7.2%).

Without trade, government, or the non-housing components of construction to generate stimulus, the only area of potential strength following the inventory adjustment is producers' durables. However, orders remain sluggish. Capacity needs are not substantial while cost reducing investment activity is being restrained by the financial constraints facing many businesses. Indeed, producers' durables probably will decline more than 2% this year before regaining a 2% rebound next year. This latter gain will be mostly the result of auto and truck sales and some computer purchases as a new generation of computing products becomes available.

Indeed, in reviewing all the sectors, the interesting question is why a second dip to this recession will be avoided. As inflationary fears increased this spring and long-term interest rates began trending upward, a double dip recession became increasingly likely. Inexplicably, the Federal Reserve restrained credit expansion soon after the Persian Gulf war ended. Apparently, they must have felt that the euphoria of the victory would lead to increased consumer spending and a rebound in activity.

However, the consumer did not have the purchasing power to respond powerfully to the improved optimism following the war. Moreover, the banking crisis continued to lead to cautious lending. Loan activity actually fell more sharply during the spring than in the winter. The Federal Reserve should have realized that money demand had begun sagging when the money stock stopped growing once the federal funds rate had been stabilized at 5.75. Indeed, **M2** has not increased in the past thirteen weeks. Without further Federal Reserve support for the economy, a double dip recession was a distinct possibility.

Fortunately, the inflationary fears were without merit. Although consumer prices excluding food and energy expanded at a 5% rate during the first six months of 1991, a percentage point of that advance was caused by government taxes. Moreover, a blip in sensitive prices in April and early May soon gave way to renewed commodity price weakness.

To be sure, commodity prices fell more at the end of other recessions but a change in the pattern of this recession reduced the likelihood that prices would fall as sharply below operating costs as they did in 1982. In that earlier recession, producers tried to maintain production despite collapsing sales. The result was a large inventory overhang that placed substantial financing pressure upon many corporations. To resolve the financing problems, materials were dumped at well below production costs. Excess inventories will lead to such temporary price relief. Of course, once the inventories were liquidated, commodity prices rebounded to the level of operating costs.

That behavior and many previous ones have inured investors to expect substantial commodity price relief in the recession and a price rebound during the recovery. Since little price relief has developed, investors have become concerned that the recovery will propel inflation well above rates just before the recession began.

In this recession, however, financial pressure occurred immediately. Therefore, inventories were liquidated at the expense of production. Without an inventory overhang, no commodity deflation has surfaced. As prices have not been driven below operating costs, no rebound in commodity prices is needed to re-invigorate production.

However, wage costs have moderated as much as in other recessions once government induced minimum wages and payroll taxes are excluded. Furthermore, productivity has improved in this recession, as companies have

aggressively restructured their businesses. Despite a 0.2% decline in output, productivity should increase nearly 2% in 1991. Strong productivity gains also are projected for 1992.

These productivity gains along with moderation in financing costs should lead to substantial gains in profitability by 1992. While interest receipts in national income are falling 3.8% this year and are projected to show little gain next year, operating profits should increase 5.4% and 12.6% respectively. Such profit gains could cause some wage pressures later next year. However, before any wage inflation surfaces, equity holders will be rewarded for the cost cutting of their managers. After rising nearly 13% this year, the New York stock composite index is expected to increase an additional 7% next year. Before a correction surfaces early in 1993, the Dow Jones should easily surpass 3300 and may reach as high as 3400 toward the end of next year. While our analysis suggests the stock market currently is overvalued, the excesses are less than 6%, far below the 43% excess measured by our procedures before the stock market collapse of 1987. Furthermore, rising profits and a period of declining interest rates reduces the likelihood that any significant stock market correction will surface during the next two years.

Because bond market investors already are discounting the inflationary spurt during a recovery, bond prices are too low for current conditions. That inflationary spurt will be less than expected, as explained above. Also, inflation may continue trending downward over the next six months.

Oil prices could begin easing as Mideast production recovers during the forecast period. Oil prices should remain below $22 per barrel well into 1993. Grain prices might rise if a spotty drought becomes more widespread. However, the strong dollar and good production abroad have reduced demand for American grains. Furthermore, a herd buildup because of the moderation in feed costs should assure moderately priced meats into 1993. Also, the dollar's strength in recent months prevents any inflation from being imported.

With an easing of unit labor costs and moderation in external inflationary forces, any surge in inflation is unlikely until the recovery is well underway. (In the early 1960s, inflation did not intensify until the recovery was nearly four years old.)

The dollar should not remain so strong. A dollar shortage temporarily developed as other nations were paying their pledges for our military effort in the Persian Gulf. At the same time, inventory liquidations at home led to sharper declines in imports and a more rapid improvement in our trade balances than normal. Now that most of the pledge money has arrived and the economy is recovering, trade balances will decline modestly and the dollar shortage will end. Furthermore, several governments abroad are restraining money growth to counter the inflation caused by their falling currencies (especially Germany). Thus, modest, but no inflationary, declines are expected in the dollar for the next two years.

Bond prices may fall slightly next year, but they should rally first. Indeed, even with possible capital losses because of rising interest rates, long-term corporate bonds and some government agency bonds should provide a higher total rate of return than money market accounts. Adjusted for dividend income, stocks probably will provide the highest total return during the next year, although double digit gains will be difficult to achieve now that the market already has anticipated a substantial improvement in corporate earnings.

Because no engines of growth are apparent, no strong gains in economic activity should persist once inventories return to modest accumulation. On the other hand, no sharp rise in interest rates or inflation should surface

before 1993 to threaten the recovery. Some liquidity problems persist in the banking community, and lending activity remains meager, but the Federal Reserve has now shown sufficient fortitude to ensure that those problems will not generate a relapse in this very modest economic expansion.

ASSUMPTIONS

As shown in Table 6, the latest burst of Federal Reserve easing is not expected to be as dramatic as the easing in February and March and should not be as prolonged. Indeed, **no further discount rate declines are expected.** After the presidential elections, a return to mild restraint is anticipated. As a result, short-term rates should rise relative to long-term rates around election time. Although another recession is not foreseen for 1993, rising wage inflation at that time may lead to renewed sluggish monetary growth. The Federal Reserve is expected to become decreasingly concerned about the health of financial institutions, as profits in that
sector rebound from a meager $1.3 billion during the first quarter of this year to more than $8 billion next year.

State and local governments are expected to raise taxes and reduce the growth of expenditures in order to reduce their combined deficits from a $45 billion peak during the fourth quarter of last year. Even so, minor deficits will persist into 1993. Personal tax rates are expected to rise 3% both this year and next year. Social insurance rates also are expected to rise by more than 2% this year and an additional 1% next year. Employment growth should slow to less than 2% this year and only slightly more than 1% next year.

By contrast, no major tax initiatives are expected at the Federal level. Federal support for state and local activities will grow only half as rapidly next year as in the past two years. No discernible pledge transfers for the Persian Gulf conflict are expected after the second quarter of this year, while defense spending is expected to fall more than 3% in inflation adjusted terms both this year and next year.

Some other assumptions are as follows:

a. Barrels of imported oil are expected to fall by 2.7% in 1991 before rising 6.8% in 1992. Prices of imported oil are expected to average $19.66 per barrel in 1991 before rising modestly to $20.45 in 1992. Increased production from the Middle East is expected to offset reduced production in the Soviet Union.

b. Cost of living adjustments for government programs are expected to be 3.7% in 1991 and 3.8% in 1992. Government salaries should rise 4% with additional merit steps during the two fiscal years.

c. The wage base for Social Security was assumed to be $56,100 in 1992 and $58,200 in 1993. The medicare tax was assumed to rise to $129,300 in 1992 and $133,400 in 1993. No further changes in the tax treatment of benefits was assumed.

d. No further changes in minimum wage legislation was assumed.

e. World trade is expected to grow 4% in 1992 and 5% in 1993. European growth rates of 3% are expected in 1992 with modest slowing in 1993. Eastern Europe should show little growth in 1992 before increasing 4% in 1993. Asia should grow about 4% in both years.

f. No further excise taxes or government fees are expected in the forecast period.

g. No major labor disruptions were assumed during the forecast period. However, manufacturing wages are expected to rebound from 4% in 1991 to 5% in 1992.

CONCLUSION

Recent Federal Reserve activity has again diminished the prospects of an economic relapse following the end of the current inventory adjustment. Nevertheless, **following a short period of moderate industrial activity, economic growth should turn sluggish.** Consumers have neither the purchasing power nor inclination to lead this recovery and no other engines of growth are apparent. The rebound in housing is anemic by past recovery standards, largely because of continued financial constraints facing builders of multifamily units. The federal government will be reducing defense expenditures while state and local governments are raising taxes and slowing the growth of expenditures to offset substantial deficits.

Despite the sluggish recovery, which will preserve unemployment rates near 7 percent for the next few years, not all of the outlook is bleak. Inflation will remain in check, with prices actually increasing more slowly on average in 1992 than in 1991. Interest rates also will remain subdued. Although short-term interest rates may remain near current levels until the latter part of 1992, when an increase should develop, long-term rates will continue to trend slightly downward until the end of this year. Then only gradual increases are expected.

Also, corporations have substantially reduced their debt burdens and increased their productivity during this recessionary period. Even as activity is falling 0.2% in 1991, productivity should rebound by 2%. This means improved profitability, with corporate profits gaining 13% in 1992. As a result, further new highs in equity values are expected, with the Dow Jones approaching 3400 during the summer of 1992.

Recessionary tendencies could reappear following the presidential election in 1993, but not enough economic friction is expected to seriously generate a downturn at that time. In short, **the recovery should be sustained, inflation should remain subdued, and investors should remain reasonably happy with the opportunities provided in financial markets during the next two years.**

Table 1.

U. S. Expenditures in Current Dollars
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	3742.8	3798.6	3847.1	3910.3	3970.5	4026.4	4081.2	4141.7	4195.2	4252.2	6.0	4.6	6.0	3657.3	3824.7	4055.0
2. % Change(AR)	1.9	6.1	5.2	6.7	6.3	5.8	5.6	6.1	5.3	5.5						
3. Durable Goods	455.3	462.2	471.0	476.2	482.1	487.3	492.9	499.7	503.7	508.6	1.2	-2.9	5.2	480.3	466.2	490.5
4. Autos, Trucks & Parts	190.9	196.2	206.5	210.0	213.6	216.7	220.0	223.6	225.5	228.1	-1.1	-5.7	8.7	213.0	200.9	218.5
5. Other Durable Goods	264.4	266.0	264.5	266.2	268.5	270.6	272.9	276.1	278.2	280.5	3.2	-0.8	2.5	267.3	265.3	272.0
6. Nondurable Goods	1212.7	1218.0	1223.1	1241.6	1257.2	1270.6	1281.5	1294.9	1308.1	1321.8	5.6	2.5	4.3	1193.7	1223.9	1276.1
7. Services	2074.8	2118.5	2153.0	2192.5	2231.2	2268.5	2306.8	2347.1	2383.4	2421.8	7.5	7.6	7.2	1983.3	2134.7	2288.4
8. Pers Cons less Services	1668.0	1680.1	1694.1	1717.8	1739.3	1757.9	1774.4	1794.6	1811.8	1830.4	4.3	1.0	4.5	1674.0	1690.0	1766.6
9. % Change(AR)	-3.9	2.9	3.4	5.7	5.1	4.3	3.8	4.6	3.9	4.2						
10. Pvt Domestic Invstment	660.0	663.1	691.3	726.1	744.2	751.7	766.1	778.5	793.3	794.7	-3.9	-7.5	10.9	741.1	685.1	760.1
11. Residential Structures	190.5	193.2	203.4	212.5	217.5	222.2	228.2	231.3	234.3	236.9	-3.9	-10.0	12.5	222.0	199.9	224.8
12. Other Structures	139.5	139.2	132.5	131.7	132.9	134.4	136.1	137.8	139.5	140.6	0.5	-7.7	-0.3	147.0	135.7	135.3
13. Producer's Durables	364.1	359.0	366.4	368.7	371.1	371.0	375.1	378.9	383.2	386.1	3.1	-3.3	2.6	377.1	364.6	374.0
14. Change in Inventories	-34.2	-28.3	-11.0	13.2	22.7	24.1	26.7	30.5	36.3	31.1				-5.1	-15.1	26.0
15. Chg in Nonfarm Inv	-37.1	-24.8	-12.1	14.1	21.2	25.5	25.7	31.2	34.3	30.5				-7.4	-15.0	25.9
16. Net Exports	13.5	9.4	3.7	1.7	0.9	3.1	2.5	9.0	12.3	12.1				-31.3	7.1	3.9
17. Exports	694.5	699.9	714.4	728.1	744.1	756.7	771.3	788.1	803.6	820.4	7.4	5.4	7.9	672.8	709.2	765.1
18. Imports	681.0	690.5	710.7	726.4	743.2	753.6	768.8	779.1	791.3	808.3	4.7	-0.3	8.4	704.1	702.2	761.2
19. Government Purchases	1141.5	1149.4	1151.8	1161.7	1178.2	1187.2	1200.4	1215.2	1230.2	1243.9	7.1	4.8	3.8	1098.1	1151.1	1195.3
20. Federal Purchases	443.8	446.8	441.4	443.3	449.7	449.3	453.2	457.1	461.8	464.3	6.0	4.7	1.9	424.0	443.8	452.3
21. Defense	331.2	325.3	323.5	325.0	329.2	328.4	329.2	329.9	334.2	335.5	4.2	4.0	0.9	313.6	326.3	329.2
22. Nondefense	112.6	121.4	117.9	118.3	120.5	120.9	124.0	127.2	127.6	128.8	11.6	6.5	4.8	110.4	117.6	123.2
23. State and Local	697.7	702.7	710.4	718.4	728.5	737.9	747.2	758.1	768.4	779.6	7.8	4.9	5.0	674.1	707.3	742.9
24. Gross National Product	5557.7	5620.5	5693.9	5799.8	5893.8	5968.4	6050.2	6144.4	6231.0	6302.9	5.1	3.7	6.1	5465.2	5668.0	6014.2
25. Net Change(amount)	30.4	62.8	73.4	105.9	94.0	74.6	81.8	94.2	86.6	71.9				264.4	202.8	346.2
26. % Change(curr$, AR)	2.2	4.6	5.3	7.6	6.6	5.2	5.6	6.4	5.8	4.7				5.1	3.7	6.1
27. Gross Natl Product(82$)	4124.1	4128.4	4152.1	4191.6	4210.4	4232.1	4251.7	4277.7	4288.6	4299.5	1.0	-0.2	2.3	4157.3	4149.1	4243.0
28. % Change(1982$, AR)	-2.8	0.4	2.3	3.9	1.8	2.1	1.9	2.5	1.0	1.0				1.0	-0.2	2.3
29. Implicit Price Deflator	134.8	136.1	137.1	138.4	140.0	141.0	142.3	143.6	145.3	146.6	4.1	3.9	3.8	131.5	136.6	141.7
30. % Change(AR)	5.2	3.9	2.9	3.6	4.8	3.0	3.7	3.8	4.7	3.6				4.1	3.9	3.8
31. Final Sales(curr$)	5591.9	5648.8	5704.9	5786.6	5871.1	5944.3	6023.5	6113.9	6194.7	6271.8	5.8	3.9	5.4	5470.2	5683.1	5988.2
32. Net Change from Prev	33.7	56.9	56.1	81.7	84.5	73.2	79.2	90.4	80.8	77.1						
33. Final Sales(1982$)	4149.0	4149.6	4158.5	4182.9	4192.9	4212.8	4230.8	4253.9	4260.2	4275.4	1.6	-0.0	1.5	4160.9	4160.0	4222.6

Table 2.

U. S. Real Expenditures
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Personal Consumption	2663.7	2687.2	2703.2	2718.8	2729.9	2744.7	2756.1	2767.5	2773.6	2785.9	0.9	0.4	2.1	2681.6	2693.2	2749.6
2. % Change(1982$, AR)	-1.5	3.6	2.4	2.3	1.6	2.2	1.7	1.7	0.9	1.8						
3. Durable Goods	402.9	408.0	414.3	416.9	419.7	422.6	425.7	428.8	429.7	431.7	-0.1	-3.9	3.3	427.4	410.5	424.2
4. Autos, Trucks & Parts	157.2	160.5	168.3	169.9	171.7	173.5	175.6	177.3	177.7	178.8	-2.1	-7.7	6.4	177.7	164.0	174.5
5. Other Durable Goods	245.7	247.5	246.0	247.0	248.0	249.1	250.1	251.5	252.0	252.9	1.3	-1.3	1.3	249.7	246.6	249.7
6. Nondurable Goods	897.1	899.3	900.5	904.6	904.0	907.2	906.9	907.5	905.9	908.1	-1.0	-1.2	0.7	911.1	900.4	906.4
7. Services	1363.7	1379.8	1388.4	1397.3	1406.2	1414.9	1423.5	1431.2	1438.0	1446.1	2.6	2.9	2.7	1343.1	1382.3	1419.0
8. Pvt Domestic Investment	623.7	625.9	646.1	670.8	681.5	687.3	694.7	701.9	709.7	707.8	-3.9	-6.8	7.7	688.7	641.6	691.4
9. Residential Structures	151.8	153.2	159.9	166.3	168.7	171.2	174.5	175.3	176.4	176.9	-5.4	-10.8	9.3	176.9	157.8	172.4
10. Other Structures	113.7	112.4	106.1	105.2	105.5	105.9	106.5	106.9	107.4	107.5	-1.2	-9.5	-2.9	120.9	109.4	106.2
11. Producer's Durables	383.1	381.6	386.5	390.6	389.8	390.9	392.8	395.9	397.5	399.3	2.8	-2.3	1.8	394.6	385.5	392.4
12. Change in Inventories	-25.0	-21.2	-6.4	8.7	17.5	19.3	20.9	23.8	28.4	24.1				-3.6	-11.0	20.4
13. Chg in Nonfarm Inv	-28.1	-16.3	-7.0	9.3	16.4	20.3	20.2	24.3	26.9	23.7				-5.1	-10.5	20.3
14. Net Exports	7.1	-18.6	-23.5	-23.6	-24.6	-24.8	-25.0	-19.9	-18.5	-21.0				-33.8	-14.7	-23.6
15. Exports	648.0	653.9	664.5	672.9	685.2	693.6	704.4	715.8	725.9	735.8	6.4	4.5	6.1	631.5	659.8	699.8
16. Imports	641.0	672.6	688.0	696.5	709.8	718.4	729.4	735.7	744.4	756.8	2.8	1.4	7.2	665.3	674.5	723.3
17. Government Purchases	829.6	833.9	826.3	825.6	823.6	824.9	825.9	828.2	823.8	826.8	2.8	1.0	-0.4	820.8	828.9	825.7
18. Federal Government	349.5	353.8	346.7	346.0	343.2	343.4	344.0	345.1	340.2	342.2	2.6	1.5	-1.5	343.7	349.0	343.9
19. Federal Purchases	220.8	226.1	219.5	219.6	217.7	218.7	219.6	221.2	216.5	218.9	3.7	2.5	-1.0	216.1	221.5	219.3
20. Value Added	128.7	127.7	127.2	126.4	125.5	124.7	124.4	123.9	123.7	123.3	0.9	-0.1	-2.3	127.6	127.5	124.6
21. State and Local Govt	480.1	480.1	479.6	479.6	480.4	481.5	481.9	483.1	483.6	484.6	3.0	0.6	0.4	477.1	479.9	481.7
22. State & Local Purch.	215.7	215.2	214.6	214.2	214.5	214.6	214.8	215.0	214.8	215.0	4.3	-0.0	-0.1	215.0	214.9	214.7
23. Value Added	264.4	264.9	265.0	265.4	265.9	266.9	267.1	268.1	268.8	269.6	2.0	1.1	0.8	262.1	264.9	267.0
24. Gross National Product	4124.1	4128.4	4152.1	4191.6	4210.4	4232.1	4251.7	4277.7	4288.6	4299.5	1.0	-0.2	2.3	4157.3	4149.1	4243.0
25. % Change(1982$, AR)	-2.8	0.4	2.3	3.9	1.8	2.1	1.9	2.5	1.0	1.0						
26. Final Sales Demand	4149.1	4149.6	4158.5	4182.9	4192.9	4212.8	4230.8	4253.9	4260.2	4275.4	1.6	-0.0	1.5	4160.9	4160.0	4222.6
27. % Change(1982$, AR)	-2.9	0.0	0.9	2.4	1.0	1.9	1.7	2.2	0.6	1.4						

Table 3.

Income Related U. S. Gross National Product Components
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Compensation of Employees	3299.3	3331.8	3376.4	3429.1	3486.7	3541.5	3593.5	3652.4	3710.8	3765.0	5.4	3.5	6.2	3244.2	3359.2	3558.5
2. Wages & Salaries	2742.8	2770.1	2807.9	2852.5	2899.4	2946.5	2991.0	3039.8	3086.0	3132.3	5.1	3.3	6.3	2705.3	2793.3	2959.2
3. Manufacturing Ind	536.7	541.3	553.4	560.2	565.6	572.2	580.2	587.9	593.3	600.2	0.9	0.2	5.2	546.8	547.9	576.5
4. Other Producing Ind	176.3	174.5	175.9	180.3	183.5	187.0	190.7	193.7	196.1	198.6	2.1	-3.1	6.8	182.5	176.8	188.7
5. Distributive Industry	639.7	644.6	649.3	660.3	670.2	681.5	692.5	703.0	713.0	723.7	5.4	1.8	5.9	637.2	648.5	686.8
6. Service Industry	860.3	875.2	890.2	908.6	927.8	947.6	963.8	985.3	1002.9	1021.7	7.7	6.4	8.2	830.8	883.6	956.1
7. Military Compensation	88.1	87.1	86.5	86.3	87.8	87.3	87.0	86.9	88.9	88.8	4.7	5.4	0.3	82.6	87.0	87.3
8. Other Government	441.7	447.4	452.6	456.8	464.5	470.9	476.8	483.0	491.8	499.3	7.0	5.7	5.4	425.5	449.6	473.8
9. Supplements to W & S	556.5	561.7	568.5	576.6	587.3	595.0	602.5	612.6	624.8	632.7	6.5	5.0	5.9	538.9	565.8	599.4
10. Proprietors Income	404.4	416.5	420.7	437.0	442.0	445.5	447.8	455.9	458.9	455.1	6.1	4.3	6.7	402.5	419.7	447.8
11. Business & Professional	355.8	364.6	373.1	386.3	390.2	395.2	399.3	405.3	409.1	411.3	6.6	4.9	7.4	352.6	370.0	397.5
12. Farm Proprietors	48.5	51.9	47.6	50.7	51.8	50.3	48.5	50.6	49.8	43.8	2.6	-0.5	1.3	49.9	49.7	50.3
13. Rental Income	5.6	5.6	6.0	6.5	7.3	7.6	7.9	8.4	8.9	8.5	-16.4	-13.8	31.6	6.9	5.9	7.8
14. Net Interest	460.9	450.3	443.8	440.8	442.9	446.8	451.4	460.2	471.4	483.5	4.8	-3.8	0.3	466.6	449.0	450.3
15. Corporate Profits(adj)	286.2	309.4	319.6	342.5	347.3	351.4	356.2	363.3	355.2	350.4	-4.3	5.4	12.8	298.3	314.4	354.6
16. National Income	4456.4	4513.6	4566.5	4655.9	4726.2	4792.8	4856.8	4940.2	5005.2	5062.5	4.6	2.9	6.2	4418.4	4548.1	4829.0
17. Indirect Business Tax	461.4	464.6	471.3	478.1	485.6	492.7	500.0	508.0	516.1	523.0	6.3	6.5	5.9	440.3	468.9	496.6
18. Capital Consumption Adj	43.6	40.7	44.7	42.9	47.0	46.3	48.7	50.3	52.7	54.5				35.2	43.0	48.1
19. Capital Cons. Allowance	548.0	555.9	562.8	569.7	577.8	587.3	596.1	605.8	614.6	623.7	-0.3	3.4	5.8	540.5	559.1	591.8
20. Business Transfers	36.7	37.3	38.0	38.7	39.4	40.1	40.8	41.5	42.2	42.9	8.2	7.5	7.4	35.1	37.7	40.5
21. Net Govt Subsidies	-3.5	-5.9	-3.0	-1.2	-5.3	-0.2	-2.6	-1.3	-5.2	-1.2				-2.5	-3.4	-2.4
22. Statistical Descrepancy	6.2	14.3	13.6	15.7	23.1	9.4	10.4	-0.1	5.4	-2.5				-1.3	12.5	10.7
23. Gross National Product	5557.7	5620.5	5693.9	5799.8	5893.8	5968.4	6050.2	6144.4	6231.0	6302.9	5.1	3.7	6.1	5465.2	5668.0	6014.2

Table 4.

Derivation of U. S. Personal Income
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. National Income	4456.4	4513.6	4566.5	4655.9	4726.2	4792.8	4856.8	4940.2	5005.2	5062.5	4.6	2.9	6.2	4418.4	4548.1	4829.0
Less:																
2. Adj. Corporate Profits	286.2	309.4	319.6	342.5	347.3	351.4	356.2	363.3	355.2	350.4	-4.3	5.4	12.8	298.3	314.4	354.6
3. Social Insurance	527.6	531.7	538.7	547.7	561.5	569.6	577.2	587.8	602.2	610.9	6.3	5.8	7.0	506.9	536.4	574.0
Plus:																
4. Government Transfers	708.7	721.1	730.9	742.2	766.0	774.3	784.2	797.2	822.2	832.3	9.1	10.0	7.5	659.7	725.7	780.4
5. Social Security, etc	372.1	377.0	381.1	386.4	400.1	403.6	408.5	414.1	428.9	431.5	7.8	8.1	7.2	350.7	379.2	406.6
6. Unemployment Benefits	24.2	27.3	27.8	27.5	27.8	27.6	28.1	27.8	28.0	28.5	24.1	46.9	4.2	18.2	26.7	27.8
7. Veterans Benefits	18.0	18.9	19.0	19.4	20.2	20.6	21.0	21.3	21.9	22.2	3.3	5.2	10.4	17.9	18.8	20.8
8. Employees Retirement	105.0	103.2	104.3	105.5	109.3	109.7	110.4	112.2	116.3	116.8	7.5	7.8	5.6	96.9	104.5	110.4
9. A. F. D. C.	21.1	21.6	21.8	22.0	22.4	22.7	22.9	23.2	23.6	24.1	10.2	9.4	5.4	19.8	21.6	22.8
10. Other Govt Transfers	168.3	173.1	176.9	181.4	186.2	190.1	193.3	198.6	203.5	209.2	12.3	12.0	9.8	156.3	174.9	192.1
11. Business Transfers	36.7	37.3	38.0	38.7	39.4	40.1	40.8	41.5	42.2	42.9	8.2	7.5	7.4	35.1	37.7	40.5
12. Interest Transfers	221.3	222.4	222.0	224.5	226.6	229.7	232.9	238.0	242.3	247.9	8.0	4.1	4.2	213.8	222.6	231.8
13. Personal Dividends	126.7	125.5	126.1	126.9	128.3	129.9	131.4	133.2	135.2	137.2	8.1	2.1	3.5	123.8	126.3	130.7
Equals:																
14. Personal Income	4735.8	4778.8	4825.2	4898.0	4977.7	5045.8	5112.7	5199.0	5289.7	5361.5	6.0	3.5	5.7	4645.5	4809.5	5083.8
Less:																
15. Personal Tax Payments	714.6	721.0	731.2	747.3	755.5	767.2	781.3	799.9	810.5	822.4	6.2	4.2	6.5	699.4	728.5	776.0
Equals:																
16. Personal Disposable Inc	4021.3	4057.8	4094.0	4150.7	4222.2	4278.6	4331.4	4399.1	4479.2	4539.1	5.9	3.4	5.6	3946.1	4081.0	4307.8
Less:																
17. Personal Consumption	3742.8	3798.6	3847.1	3910.3	3970.5	4026.4	4081.2	4141.7	4195.2	4252.2	6.0	4.6	6.0	3657.3	3824.7	4055.0
18. Other Outlays	109.8	108.9	108.7	109.1	109.3	109.8	110.3	111.1	111.6	112.4	4.9	0.4	0.9	108.7	109.1	110.1
Equals:																
19. Personal Savings	168.7	150.3	138.2	131.3	142.4	142.4	139.9	146.3	172.4	174.5	4.8	-18.3	-3.0	180.1	147.1	142.8
20. Savings Rate(%, AR)	4.2	3.7	3.4	3.2	3.4	3.3	3.2	3.3	3.8	3.8	-1.1	-21.1	-8.2	4.6	3.6	3.3

Table 5.

U. S. Federal Government Activity
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Government Receipts	1134.5	1152.1	1169.5	1199.2	1215.9	1234.1	1253.5	1281.1	1302.0	1313.8	5.4	4.9	7.1	1109.7	1163.8	1246.2
2. Personal Tax & Nontax	501.3	504.1	510.2	520.8	524.1	531.2	540.9	554.9	561.3	569.2	6.2	3.3	5.6	492.8	509.1	537.8
3. Corporate Profits Tax	95.0	107.2	112.2	124.0	124.4	128.1	131.0	134.8	134.9	131.7	-1.7	1.0	18.2	108.5	109.6	129.6
4. Indirect Business Tax	72.7	71.9	72.3	72.0	72.5	72.9	73.6	74.5	75.8	75.6	5.6	17.1	1.6	61.7	72.2	73.4
5. Social Security Contr	465.5	468.9	474.8	482.4	494.9	501.9	508.0	516.9	530.0	537.3	6.3	5.9	6.9	446.7	472.9	505.4
6. Government Expenditures	1261.4	1321.3	1349.0	1385.7	1412.5	1430.0	1443.2	1465.9	1490.6	1513.6	7.5	4.2	8.2	1275.7	1329.4	1437.9
7. Purchases of Goods and Services	443.8	446.8	441.4	443.3	449.7	449.3	453.2	457.1	461.8	464.3	6.0	4.7	1.9	424.0	443.8	452.3
8. Defense	331.2	325.3	323.5	325.0	329.2	328.4	329.2	329.9	334.2	335.5	4.2	4.0	0.9	313.6	326.3	329.2
9. Durables	91.6	86.8	86.8	87.5	87.9	87.3	87.6	87.1	88.0	88.5	5.3	3.6	-0.8	85.1	88.2	87.5
10. Nondurables	15.6	12.2	12.2	12.9	13.3	13.1	13.3	13.5	13.4	13.6	24.2	1.9	0.6	13.0	13.2	13.3
11. Military Payroll	88.1	87.1	86.5	86.3	87.8	87.3	87.0	86.9	88.9	88.8	4.7	5.4	0.3	82.6	87.0	87.3
12. Civilian Payroll	44.1	44.4	44.4	44.1	45.8	45.8	45.8	45.7	47.8	47.7	4.1	5.8	3.4	41.8	44.3	45.8
13. Other Services	86.7	89.4	87.9	88.3	88.6	89.1	89.5	90.6	90.1	90.9	0.5	3.9	1.6	84.8	88.1	89.5
14. Structures	5.1	5.5	5.7	5.9	5.8	5.8	6.0	6.1	6.0	6.0	-1.9	-11.9	6.8	6.3	5.6	5.9
15. Nondefense	112.6	121.4	117.9	118.3	120.5	120.9	124.0	127.2	127.6	128.8	11.6	6.5	4.8	110.4	117.6	123.2
16. Durables	5.7	5.7	5.8	5.9	5.9	6.1	6.0	6.1	6.1	6.2	7.0	1.3	4.3	5.7	5.8	6.0
17. Nondurables	3.7	10.2	7.1	7.1	5.7	4.2	6.9	8.4	5.5	4.9				4.4	7.0	6.3
18. CCC Inventory Chg	-1.5	3.6	0.2	0.2	-1.1	-2.8	-0.1	1.2	-1.6	-2.4				-2.4	0.6	-0.7
19. Other Nondurables	5.2	6.6	6.9	6.9	6.8	7.0	7.0	7.2	7.1	7.3	1.5	-6.2	9.4	6.8	6.4	7.0
20. Compensation	56.3	56.7	57.0	57.1	59.7	60.3	60.4	60.8	64.0	64.7	9.3	4.9	6.2	54.1	56.8	60.3
21. Other Services	37.9	38.5	39.0	38.9	39.6	40.2	40.7	41.6	41.5	42.4	6.3	2.0	5.1	37.8	38.6	40.5
22. Structures	8.9	10.3	9.0	9.3	9.6	10.1	10.0	10.3	10.5	10.6	18.9	12.3	6.7	8.4	9.4	10.0
23. Transfer Payments	462.2	511.0	538.6	571.0	588.4	596.1	602.0	611.5	628.4	637.2	8.4	1.8	15.1	511.4	520.7	599.5
24. Grants-In-Aid to State and Local Govt	143.7	151.6	154.3	152.4	156.6	158.1	160.2	162.6	164.7	166.3	11.2	14.5	5.9	131.4	150.5	159.4
25. Net Interest Paid	194.3	196.5	196.4	198.6	201.1	204.4	207.7	213.0	217.5	223.3	8.3	5.4	5.1	186.3	196.5	206.6
26. Deficit of Government Enterprises	17.4	15.1	18.3	20.4	16.7	22.1	20.1	21.7	18.2	22.5	-9.0	-21.8	13.2	22.8	17.8	20.2
27. Federal Surplus	-126.9	-169.2	-179.5	-186.5	-196.6	-195.9	-189.7	-184.8	-188.6	-199.8	23.7	-0.3	15.8	-166.1	-165.5	-191.8
28. State and Local Surplus	30.0	40.3	45.1	48.2	52.7	54.9	58.1	60.4	61.6	60.2	-23.7	15.5	38.2	35.4	40.9	56.5
29. Total Government Surplus	-96.9	-128.9	-134.4	-138.3	-143.9	-141.0	-131.6	-124.4	-127.0	-139.6	48.7	-4.6	8.5	-130.6	-124.6	-135.2
30. Federal Debt held by Individuals	2368.1	2415.5	2478.3	2527.5	2626.0	2679.4	2743.8	2778.6	2867.8	2925.3	13.5	7.0	10.6	2288.3	2447.4	2707.0

Table 6.

Selected Economic Variables in the U. S. Economy
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
PRICES																
1. Consumer Price Index	134.8	135.4	136.5	137.8	139.3	140.4	141.7	143.1	144.6	146.0	5.4	4.2	3.7	130.7	136.1	141.1
2. % Change (AR)	3.3	1.8	3.3	3.9	4.4	3.2	3.8	4.0	4.3	3.9						
3. PPI - Indust. Commodities	116.6	115.9	116.2	117.5	118.5	118.9	119.4	120.9	122.0	122.5	3.7	0.7	2.5	115.7	116.6	119.4
4. % Change (AR)	-11.4	-2.4	1.0	4.6	3.4	1.4	1.7	5.1	3.7	1.6						
5. PPI - Finished Goods	121.6	121.5	121.0	122.2	123.1	123.6	124.4	125.4	126.6	127.4	5.0	2.0	2.1	119.2	121.6	124.1
6. % Change (AR)	-2.9	-0.2	-1.6	4.0	3.0	1.6	2.6	3.3	3.9	2.6						
CORPORATE ECONOMY																
7. After Tax Profits	166.4	174.8	184.0	199.6	203.7	200.0	205.2	210.3	209.5	206.5	-0.0	5.0	13.0	172.6	181.2	204.8
8. Inventory Profits	8.1	4.0	1.0	-9.1	-6.8	-4.4	-7.2	-9.3	-15.6	-12.7				-11.4	1.0	-6.9
9. Genuine Profits	171.1	178.8	182.4	190.2	194.1	194.1	195.3	197.8	189.7	189.1	-5.9	8.7	8.1	166.1	180.6	195.3
10. Dow-Jones Index - Mean Closing	2790.3	2940.7	2976.4	3076.3	3102.5	3217.4	3144.6	3289.5	3167.4	3026.5	6.8	10.0	8.2	2678.9	2945.9	3188.5
11. New York Composite Index - Mean Closing	193.09	207.32	209.73	217.42	218.61	222.76	219.21	227.63	221.48	215.56	1.9	12.8	7.3	2590.2 183.5	2709.8 206.9	2869.2 222.1
FINANCIAL																
12. Monetary Base	331.6	335.0	339.0	344.3	348.6	353.2	357.4	361.8	365.9	370.4	6.6	8.9	5.3	309.9	337.5	355.3
13. Checkable Deposits	580.9	593.8	606.7	619.3	627.8	637.8	645.0	654.0	662.5	668.1	1.9	4.1	6.8	576.7	600.2	641.2
14. M1	835.4	850.8	866.1	882.4	894.2	907.6	918.1	930.6	942.7	952.1	3.7	5.7	6.3	812.2	858.7	912.6
15. Velocity of M1	6.653	6.606	6.574	6.573	6.591	6.576	6.590	6.603	6.610	6.620	1.4	-1.9	-0.2	6.729	6.602	6.590
16. M2	3353.4	3392.2	3403.7	3468.2	3517.4	3568.5	3609.3	3652.1	3703.4	3749.8	5.2	3.4	5.4	3292.8	3404.4	3586.8
17. Velocity of M2	1.657	1.657	1.673	1.672	1.676	1.673	1.676	1.682	1.683	1.681	-0.1	0.3	0.7	1.660	1.665	1.677
INTEREST RATES																
18. Federal Funds Rate	6.43	5.86	5.53	5.26	5.34	5.43	5.62	5.89	6.27	6.68	-12.1	-28.8	-3.5	8.10	5.77	5.57
19. Prime Rate	9.19	8.67	8.50	8.14	8.00	8.00	8.00	8.43	8.88	9.27	-7.9	-13.8	-6.0	10.01	8.62	8.11
20. 3 Month Treasury Bill	6.02	5.56	5.32	5.14	5.28	5.40	5.73	6.02	6.35	6.54	-7.6	-26.5	1.8	7.49	5.51	5.61
21. 6 Month Treasury Bill	6.04	5.69	5.38	5.21	5.34	5.53	5.85	6.18	6.44	6.55	-7.2	-25.1	2.6	7.45	5.58	5.73
22. 1 Year Treasury Bond	6.44	6.24	5.81	5.67	5.90	6.17	6.48	6.69	6.85	6.89	-7.6	-23.4	4.5	7.88	6.04	6.31
23. 7 Year Treasury Bond	7.90	8.01	7.84	7.62	7.73	7.96	8.22	8.39	8.53	8.68	-0.0	-7.9	3.0	8.52	7.84	8.08
24. 30 Year Treasury Bond	8.20	8.32	8.18	8.06	8.24	8.39	8.46	8.52	8.68	8.70	1.9	-4.9	2.6	8.61	8.19	8.40
25. Seasoned AAA Corps	8.93	8.91	8.77	8.71	8.90	9.07	9.22	9.31	9.48	9.65	0.7	-5.3	3.3	9.32	8.83	9.13
26. FHA Mortgage Rate	9.50	9.53	9.36	9.28	9.39	9.47	9.65	9.89	10.02	10.23	-1.9	-7.0	1.9	10.13	9.42	9.60
ADDITIONAL INDICATORS																
27. Housing Starts	915	982	1066	1122	1164	1193	1206	1228	1217	1201	-12.9	-15.5	17.3	1208	1021	1198
28. Single Family Starts	726	820	881	916	943	971	968	984	969	955	-10.3	-7.7	15.7	905	836	967
29. Multiple Family Starts	189	162	185	206	221	222	238	244	248	246	-19.7	-38.6	24.6	302	186	231
30. Unit Auto Sales	8.20	8.15	9.03	9.16	9.25	9.37	9.50	9.60	9.60	9.65	-4.1	-9.1	9.2	9.50	8.64	9.43
31. Industry Production Indx	105.8	106.2	107.6	109.4	110.3	111.2	112.0	113.0	113.4	113.7	1.0	-1.8	4.1	109.2	107.2	111.6
32. Capacity Utilization	79.2	79.0	79.5	80.3	80.5	80.7	80.8	81.0	80.8	80.5	-1.4	-4.2	1.6	83.0	79.5	80.8

Table 7.

U. S. Foreign Trade Accounts
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
MERCHANDISE TRADE (Seasonally Adjusted Annual Rates)																
1. Merchandise Exports (fas)	407080	425580	423760	432000	440910	450150	453700	467610	472920	484520	8.2	7.2	7.3	393592	422105	453093
2. Food, Feed & Beverages	35000	34980	34550	35370	36720	36110	37240	37580	38820	37950	-5.7	-0.3	5.5	35070	34975	36913
3. Ind. Supplies & Mat'ls	112480	111900	113540	114460	115380	115020	118140	121720	122430	123890	5.2	8.3	4.0	104450	113095	117565
4. Capital Goods exc Autos	155480	168660	165910	166810	172230	177620	176640	180670	183590	188920	10.0	7.6	7.7	152680	164215	176790
5. Automotive Goods	34480	41100	39670	41620	41040	44260	43320	45050	44160	48250	7.4	4.8	10.7	37410	39218	43418
6. Consumer Goods ex Autos	46400	45600	45930	47730	48560	49730	50140	52840	53760	55020	18.8	7.2	8.4	43280	46415	50318
7. Other Merchandise	23240	23340	24160	26010	26980	27410	28220	29750	30160	30490	20.2	16.7	16.1	20730	24188	28090
8 Merchandise Imports (cv)	474960	480180	497460	507290	515840	520590	528900	534500	542380	549720	6.3	5.7	7.1	495310	489973	524958
9. Food, Feed & Beverages	25560	28140	29280	29610	30050	30020	30160	30640	31460	31820	6.3	5.7	7.4	26640	28148	30218
10. Ind. Supplies & Mat'ls	132360	133440	142880	147880	150320	150500	153640	153760	155280	157160	8.3	-2.8	9.3	143210	139140	152055
11. Capital Goods exc Autos	119200	122280	124130	127610	127130	128120	129980	131820	133270	135460	2.7	5.9	4.8	116410	123305	129263
12. Automotive Goods	82200	78660	81620	80950	83610	84420	85260	86720	88430	88420	1.4	-7.4	5.1	87310	80858	85003
13. Consumer Goods ex Autos	100440	101460	102760	104210	106620	108430	110220	111840	113740	116020	2.7	-3.3	6.9	105660	102218	109278
14. Other Merchandise	15200	16200	16790	17030	18110	19100	19640	19720	20200	20840	18.2	1.4	17.4	16080	16305	19143
CRUDE ENERGY-RELATED PETROLEUM IMPORTS (Annual Rates Not Seasonally Adjusted)																
15. - Cost in $(millions)	51130.1	51507.7	60879.0	64678.0	64039.0	62658.0	64346.0	62530.0	63320.0	64480.0	23.8	-6.0	11.1	60687.7	57048.7	63393.3
16. - Barrels(millions)	2542.9	2989.8	3015.3	3062.4	3089.2	3114.2	3143.6	3052.6	3117.2	3142.5	2.3	-2.7	6.8	2983.1	2902.6	3099.9
17. - Cost in Dollars/Bbl	20.11	17.23	20.19	21.12	20.73	20.12	20.47	20.48	20.31	20.52	23.7	-5.4	4.0	20.78	19.66	20.45
FOREIGN TRANSACTIONS (Seasonally Adjusted Annual Rates)																
18. Total Exports	694.5	699.9	714.4	728.1	744.1	756.7	771.3	788.1	803.6	820.4	7.4	5.4	7.9	672.8	709.2	765.1
19. Mdse Exports	410.7	422.6	428.8	434.0	445.9	452.2	458.7	469.4	477.5	486.1	7.6	6.6	7.7	398.0	424.0	456.6
20. Factor Income	145.6	133.2	136.7	141.6	143.5	146.2	150.5	153.4	157.2	161.8	1.6	1.4	6.6	137.4	139.3	148.4
21. Other Services	138.3	144.1	148.9	152.5	154.7	158.3	162.1	165.3	168.9	172.5	13.5	6.2	9.7	137.5	146.0	160.1
22. Total Imports	681.0	690.5	710.7	726.4	743.2	753.6	768.8	779.1	791.3	808.3	4.7	-0.3	8.4	704.1	702.2	761.2
23. Mdse Imports	484.9	492.3	507.5	517.3	527.8	530.6	538.9	544.8	550.5	560.1	4.5	-0.4	7.0	502.7	500.5	535.5
24. Factor Income	90.8	88.6	90.7	94.3	98.3	101.6	104.7	106.3	108.7	112.4	-2.0	-4.8	12.8	95.7	91.1	102.7
25. Other Services	105.3	109.7	112.5	114.8	117.1	121.4	125.2	128.0	132.1	135.8	12.6	4.7	11.2	105.6	110.6	122.9
26. Net Transfer Payments	-70.9	-29.8	-7.6	18.4	16.4	19.3	18.8	19.9	15.3	18.2	4.7	--	--	15.5	-22.5	18.6
27. Government Interest	39.1	39.1	38.7	38.5	39.0	39.4	39.9	40.4	41.0	41.7	7.8	0.3	2.1	38.8	38.9	39.7
28. Net Foreign Investment	45.3	0.1	-27.4	-55.2	-54.5	-55.6	-56.2	-51.3	-44.0	-47.8	-11.7	-89.1	484.9	-85.5	-9.3	-54.4
29. Trade Weighted Value of Dollar (3/73 = 100)	84.58	92.96	93.74	90.85	92.73	91.86	92.24	91.76	94.81	92.63	-0.7	-2.0	-3.4	97.81	95.88	92.67

Table 8.

Personal Consumption Expenditure Implicit Price Deflator
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Durable Goods	113.0	113.3	113.7	114.2	114.9	115.3	115.8	116.5	117.2	117.8	1.3	1.0	1.8	112.4	113.5	115.6
2. Percent Change(AR)	1.0	1.0	1.4	1.9	2.3	1.5	1.7	2.6	2.4	2.0						
3. Automobiles	121.4	122.2	122.7	123.6	124.4	124.9	125.3	126.1	126.9	127.6	0.9	2.2	2.2	119.9	122.5	125.2
4. Percent Change(AR)	3.6	2.7	1.5	3.0	2.6	1.6	1.2	2.7	2.5	2.1						
5. Furniture	98.1	97.8	97.6	97.7	97.9	97.8	97.9	98.2	98.4	98.5	0.4	-0.6	0.2	98.3	97.8	98.0
6. Percent Change(AR)	-1.1	-1.0	-1.2	0.5	1.0	-0.4	0.5	1.2	0.9	0.5						
7. Other Durables	132.3	133.6	134.8	135.2	136.5	138.1	139.5	141.0	142.7	144.2	5.5	3.6	3.6	129.3	134.0	138.8
8. Percent Change(AR)	5.1	4.2	3.5	1.3	3.9	4.7	4.0	4.6	4.7	4.5						
9. Nondurables	135.2	135.4	135.8	137.3	139.1	140.1	141.3	142.7	144.4	145.6	6.7	3.7	3.6	131.0	135.9	140.8
10. Percent Change(AR)	0.7	0.8	1.1	4.3	5.4	2.9	3.6	4.0	4.9	3.2						
11. Food	140.4	141.8	143.2	144.7	146.1	147.4	148.9	150.5	151.9	153.6	6.2	4.4	4.0	136.6	142.5	148.2
12. Percent Change(AR)	4.8	4.1	4.0	4.3	3.9	3.6	4.1	4.3	4.0	4.4						
13. Apparel	127.7	127.7	127.9	128.8	131.4	131.2	131.3	132.4	134.7	134.5	4.2	3.6	2.8	123.5	128.0	131.6
14. Percent Change(AR)	12.7	-0.2	0.7	2.9	8.2	-0.6	0.4	3.3	7.2	-0.6						
15. Gasoline and Oil	100.9	96.0	89.1	89.9	91.5	92.1	92.9	93.5	94.3	95.2	14.1	-5.0	-1.6	98.9	94.0	92.5
16. Percent Change(AR)	-42.1	-17.8	-25.9	3.5	7.2	2.8	3.7	2.3	3.7	3.7						
17. Fuel Oil	100.6	89.4	90.9	95.3	96.8	95.9	96.8	97.4	98.9	97.9	20.0	-2.5	2.9	96.5	94.0	96.7
18. Percent Change(AR)	-42.7	-37.7	6.9	21.2	6.4	-3.9	4.2	2.3	6.5	-4.3						
19. Other Nondurables	151.3	153.7	155.6	157.5	159.6	161.5	163.3	165.1	166.9	168.7	5.6	6.1	5.1	145.7	154.5	162.4
20. Percent Change(AR)	7.3	6.4	5.1	5.0	5.4	4.8	4.6	4.4	4.6	4.2						
21. Services	152.1	153.5	155.1	156.9	158.7	160.3	162.1	164.0	165.7	167.5	4.7	4.6	4.4	147.7	154.4	161.3
22. Percent Change(AR)	4.7	3.7	4.1	4.8	4.6	4.3	4.4	4.9	4.3	4.2						
23. Housing	155.3	156.3	157.5	158.9	160.4	161.9	163.5	165.1	166.7	168.3	5.2	4.0	3.6	151.0	157.0	162.7
24. Percent Change(AR)	3.5	2.5	3.2	3.6	3.8	3.8	4.0	3.8	4.0	3.9						
25. Electricity and Gas	122.9	122.1	121.1	122.9	124.4	123.7	123.0	124.1	125.1	124.8	2.0	3.3	1.3	118.4	122.3	123.8
26. Percent Change(AR)	11.3	-2.7	-3.1	6.0	4.9	-2.2	-2.2	3.5	3.4	-1.1						
27. Other Household Opns	136.7	138.1	139.3	140.2	141.3	142.2	143.2	145.1	146.0	146.9	2.2	4.1	3.1	133.2	138.6	142.9
28. Percent Change(AR)	8.1	4.0	3.6	2.6	3.1	2.7	2.6	5.4	2.7	2.3						
29. Transportation	143.3	143.0	143.9	145.4	147.9	149.5	151.0	152.3	153.7	155.0	4.3	5.7	4.4	136.1	143.9	150.2
30. Percent Change(AR)	13.8	-0.8	2.6	4.3	6.9	4.3	4.1	3.6	3.7	3.5						
31. Medical Care	166.3	169.2	171.8	174.6	177.0	179.6	182.1	185.0	187.3	189.8	5.6	6.3	6.1	160.4	170.5	180.9
32. Percent Change(AR)	5.9	7.2	6.2	6.7	5.6	6.0	5.7	6.4	5.1	5.6						
33. Other Services	149.7	151.4	153.0	154.7	156.1	157.7	159.5	161.3	163.1	164.9	4.3	3.6	4.3	146.9	152.2	158.7
34. Percent Change(AR)	0.4	4.6	4.4	4.5	3.7	4.2	4.6	4.7	4.5	4.3						

Table 9.

Gross National Product Implicit Price Deflators
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
1. Gross National Product	134.8	136.1	137.1	138.4	140.0	141.0	142.3	143.6	145.3	146.6	4.1	3.9	3.8	131.5	136.6	141.7
2. Percent Change(AR)	5.2	3.9	3.0	3.8	4.7	2.9	3.7	3.7	4.8	3.6						
3. Personal Consumption	140.5	141.4	142.3	143.8	145.4	146.7	148.1	149.7	151.3	152.6	5.0	4.1	3.9	136.4	142.0	147.5
4. Percent Change(AR)	3.5	2.6	2.6	4.3	4.5	3.6	3.9	4.4	4.3	3.5						
5. Consumer Price Index	134.8	135.4	136.5	137.8	139.3	140.4	141.7	143.1	144.6	146.0	5.4	4.2	3.7	130.7	136.1	141.1
6. Percent Change(AR)	3.3	1.8	3.3	3.9	4.4	3.2	3.8	4.0	4.3	3.9						
7. Private Domestic Invest	105.8	105.9	107.0	108.2	109.2	109.4	110.3	110.9	111.8	112.3	0.0	-0.8	3.0	107.6	106.8	109.9
8. Percent Change(AR)	-2.2	0.5	4.0	4.7	3.6	0.6	3.4	2.3	3.2	1.8						
9. Structures	122.7	123.8	124.9	125.2	126.0	126.9	127.8	128.9	129.9	130.9	1.8	2.1	2.6	121.6	124.2	127.4
10. Percent Change(AR)	2.0	3.6	3.6	1.0	2.6	2.9	2.9	3.5	3.1	3.1						
11. Producer's Durables	95.0	94.1	94.8	94.4	95.2	94.9	95.5	95.7	96.4	96.7	0.3	-1.0	0.8	95.6	94.6	95.3
12. Percent Change(AR)	1.3	-3.7	3.0	-1.7	3.4	-1.3	2.6	0.8	3.0	1.3						
13. Residential Structures	125.5	126.1	127.2	127.8	128.9	129.8	130.8	131.9	132.8	133.9	1.6	0.9	2.9	125.6	126.7	130.4
14. Percent Change(AR)	-0.6	1.9	3.5	1.9	3.5	2.8	3.1	3.4	2.8	3.4						
15. Exports	107.2	107.0	107.5	108.2	108.6	109.1	109.5	110.1	110.7	111.5	0.9	0.9	1.7	106.6	107.5	109.3
16. Percent Change(AR)	-2.2	-0.7	1.9	2.6	1.5	1.9	1.5	2.2	2.2	2.9						
17. Imports	106.3	102.7	103.3	104.3	104.7	104.9	105.4	105.9	106.3	106.8	1.9	-1.6	1.0	105.9	104.2	105.2
18. Percent Change(AR)	-15.0	-12.9	2.4	3.9	1.5	0.8	1.9	1.9	1.5	1.9						
19. Federal	127.0	126.3	127.3	129.3	131.0	130.8	131.7	132.5	135.7	135.7	3.3	3.4	3.2	123.4	127.5	131.5
20. Percent Change(AR)	6.2	-2.2	3.3	6.5	5.4	-0.6	2.8	2.2	10.3	-0.2						
21. Federal Purchases	115.6	114.4	115.5	118.4	117.8	117.0	118.4	119.2	120.6	120.2	2.3	2.1	1.8	113.6	116.0	118.1
22. Percent Change(AR)	-1.5	-4.3	4.0	10.5	-2.1	-2.6	4.8	2.8	4.7	-1.3						
23. Federal Value Added	146.5	147.4	147.7	148.3	154.0	155.1	155.3	156.1	162.2	163.2	5.0	5.4	5.2	139.9	147.5	155.1
24. Percent Change(AR)	17.5	2.5	0.9	1.7	16.2	2.8	0.6	2.0	16.7	2.3						
25. State & Local	145.3	146.4	148.1	149.8	151.6	153.3	155.1	156.9	158.9	160.9	4.6	4.3	4.6	141.3	147.4	154.2
26. Percent Change(AR)	3.4	3.1	4.8	4.6	5.0	4.3	4.8	4.9	5.1	5.1						
27. State/Local Purchases	129.8	129.6	131.0	132.2	133.6	134.8	136.1	137.5	139.0	140.4	3.7	2.8	3.7	127.1	130.6	135.5
28. Percent Change(AR)	-0.2	-0.5	4.4	3.8	4.3	3.6	3.8	4.2	4.5	4.1						
29. State/Local Value Added	158.0	160.0	162.0	164.0	166.2	168.1	170.3	172.5	174.8	177.2	5.4	5.3	5.1	153.0	161.0	169.3
30. Percent Change(AR)	5.2	5.2	5.1	5.0	5.5	4.6	5.4	5.3	5.4	5.6						

Table 10.

Details of Private Consumption in the U. S.
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
Current Dollars																
1. Durable Goods	455.3	462.2	471.0	476.2	482.1	487.3	492.9	499.7	503.7	508.6	1.2	-2.9	5.2	480.3	466.2	490.5
2. Autos, Trucks & Parts	190.9	196.2	206.5	210.0	213.6	216.7	220.0	223.6	225.5	228.1	-1.1	-5.7	8.7	213.0	200.9	218.5
3. Furniture	174.2	177.4	175.8	176.4	177.7	178.2	178.9	180.2	180.9	181.7	2.9	-0.2	1.6	176.4	176.0	178.8
4. Other	90.2	88.6	88.7	89.8	90.8	92.4	94.0	95.9	97.3	98.8	3.6	-1.8	4.4	91.0	89.3	93.3
5. Nondurable Goods	1212.7	1218.0	1223.1	1241.6	1257.2	1270.6	1281.5	1294.9	1308.1	1321.8	5.6	2.5	4.3	1193.7	1223.9	1276.1
6. Food	636.7	639.7	646.5	653.8	660.5	667.3	673.8	680.3	687.4	694.8	4.9	3.1	4.1	624.7	644.2	670.5
7. Clothing & Shoes	213.3	218.8	220.2	224.1	227.4	229.7	229.8	232.2	234.0	236.2	4.2	2.8	4.9	213.2	219.1	229.8
8. Gasoline & Oil	93.9	89.9	83.4	84.3	85.6	86.1	86.8	87.2	87.8	88.6	11.9	-6.3	-1.7	93.8	87.9	86.4
9. Fuel Oil & Coal	17.7	16.8	16.9	18.4	18.3	18.5	18.4	18.7	18.6	18.3	4.8	-5.7	5.9	18.5	17.5	18.5
10. Other	251.0	252.8	256.1	261.0	265.4	269.0	272.7	276.5	280.3	283.9	6.5	4.8	6.1	243.4	255.2	270.9
11. Services	2074.8	2118.5	2153.0	2192.5	2231.2	2268.5	2306.8	2347.1	2383.4	2421.8	7.5	7.6	7.2	1983.3	2134.7	2288.4
12. Housing	587.1	592.5	598.5	605.3	612.2	619.4	627.2	634.8	642.7	650.6	6.6	4.6	4.6	569.5	595.9	623.4
13. Utilities	98.1	101.7	101.4	103.5	104.5	104.3	104.1	105.5	107.0	106.7	-1.4	5.0	3.4	96.4	101.2	104.6
14. Other	118.0	121.1	122.6	124.1	125.9	127.3	128.7	130.7	132.0	133.5	5.8	5.7	5.5	115.0	121.5	128.2
15. Transportation	145.0	147.3	149.1	151.7	155.0	157.7	160.2	162.7	165.4	167.9	8.0	8.5	7.2	136.6	148.3	158.9
16. Medical Care	515.2	532.2	547.3	562.4	577.9	593.2	608.4	623.5	635.8	651.5	11.3	11.6	11.4	483.4	539.3	600.8
17. Other	611.4	623.9	634.1	645.5	655.7	666.6	678.2	689.9	700.5	711.6	7.0	7.9	7.0	582.5	628.7	672.6
Constant Dollars																
18. Durable Goods	402.9	408.0	414.3	416.9	419.7	422.6	425.7	428.8	429.7	431.7	-0.1	-3.9	3.3	427.4	410.5	424.2
19. Autos, Trucks & Parts	157.2	160.5	168.3	169.9	171.7	173.5	175.6	177.3	177.7	178.8	-2.1	-7.7	6.4	177.7	164.0	174.5
20. Furniture	177.6	181.3	180.2	180.6	181.5	182.2	182.7	183.5	183.8	184.4	2.5	0.3	1.4	179.4	179.9	182.5
21. Other	68.2	66.3	65.8	66.4	66.5	66.9	67.4	68.0	68.2	68.5	-1.7	-5.2	0.8	70.4	66.7	67.2
22. Nondurable Goods	897.1	899.3	900.5	904.6	904.0	907.2	906.9	907.5	905.9	908.1	-1.0	-1.2	0.7	911.1	900.4	906.4
23. Food	453.5	451.1	451.5	451.8	452.1	452.7	452.5	452.1	452.4	452.4	-1.2	-1.2	0.1	457.4	452.0	452.4
24. Clothing & Shoes	167.0	171.4	172.2	174.0	173.1	175.1	175.0	175.4	173.7	175.6	-0.0	-0.9	2.0	172.6	171.2	174.7
25. Gasoline & Oil	93.1	93.6	93.6	93.8	93.6	93.5	93.4	93.3	93.1	93.1	-1.9	-1.3	-0.1	94.8	93.5	93.5
26. Fuel Oil & Coal	17.6	18.8	18.6	19.3	18.9	19.3	19.0	19.2	18.8	18.7	-12.6	-3.1	2.8	19.2	18.6	19.1
27. Other	165.9	164.5	164.6	165.7	166.3	166.6	167.0	167.5	167.9	168.3	0.8	-1.2	1.0	167.1	165.2	166.9
28. Services	1363.7	1379.8	1388.4	1397.3	1406.2	1414.9	1423.5	1431.2	1438.0	1446.1	2.6	2.9	2.7	1343.1	1382.3	1419.0
29. Housing	378.1	379.2	380.0	380.9	381.7	382.6	383.6	384.6	385.6	386.6	1.4	0.6	0.9	377.1	379.6	383.1
30. Utilities	79.8	83.3	83.7	84.2	84.0	84.3	84.6	85.0	85.5	85.5	-3.3	1.7	2.1	81.4	82.8	84.5
31. Other	86.3	87.7	88.0	88.5	89.1	89.5	89.9	90.1	90.4	90.9	3.5	1.5	2.3	86.3	87.6	89.7
32. Transportation	101.2	103.0	103.6	104.3	104.8	105.5	106.1	106.8	107.6	108.3	3.6	2.7	2.7	100.4	103.0	105.8
33. Medical Care	309.8	314.5	318.6	322.1	326.5	330.3	334.1	337.1	339.5	343.2	5.4	4.9	5.0	301.5	316.3	332.0
34. Other	408.5	412.2	414.5	417.3	420.1	422.7	425.2	427.6	429.4	431.6	2.6	4.2	2.6	396.5	413.1	423.9

Table 11.

Productivity and Employment in the U. S. Economy
for 1991-I and 1991-II with Forecasts for 1991-III through 1993-II

Georgia State University
College of Business Administration
Economic Forecasting Center
August 1991

	Period (Quarter Year)										Percentage Change			Annual Rate		
	I 91	II 91	III 91	IV 91	I 92	II 92	III 92	IV 92	I 93	II 93	90/89	91/90	92/91	1990	1991	1992
PRODUCTIVITY																
1. Private Domestic Wage Component - %Chg(AR)	6.8	4.9	6.6	5.0	4.8	4.4	4.6	4.8	5.0	5.2				4.2	5.5	5.0
2. Private Productivity % Change(AR)	3.5	2.2	3.3	2.1	0.6	0.1	0.1	0.4	0.1	0.2				0.0	2.0	1.1
3. Implicit Unit Labor Cost % Change(AR)	3.2	2.7	3.2	2.8	4.1	4.3	4.5	4.4	4.9	5.0				4.1	3.4	3.8
4. Private Domestic Price Deflator - %Chg(AR)	4.6	4.2	2.8	3.9	4.2	2.8	3.8	3.8	4.2	3.5				3.9	3.7	3.6
EMPLOYMENT																
5. Civilian Employment	116865	116958	116974	117342	117790	118360	118818	119405	119689	120136	0.5	-0.7	1.3	117917	117035	118593
6. Private Employment	90922	90366	90432	90749	91156	91615	92012	92526	92836	93146	1.5	-1.5	1.3	92037	90617	91827
7. Manufacturing Employment	18530	18391	18394	18397	18398	18427	18450	18465	18446	18452	-1.9	-3.3	0.0	19063	18428	18435
8. Durable Manufacturing	10670	10550	10532	10531	10528	10544	10572	10588	10594	10611	-2.6	-5.0	-0.1	11123	10571	10558
9. Nondurable Mfg	7860	7841	7862	7866	7870	7883	7878	7877	7852	7841	-0.8	-1.0	0.3	7940	7857	7877
10. Mining	722	706	701	698	698	697	696	695	694	694	5.1	-3.9	-1.4	735	707	697
11. Contract Construction	4784	4700	4680	4725	4746	4779	4824	4852	4886	4906	0.2	-9.3	1.7	5208	4722	4800
12. Transport & Communication	5847	5814	5807	5832	5841	5865	5874	5894	5908	5916	3.4	-0.2	0.7	5839	5825	5869
13. Transportation	3591	3549	3547	3566	3573	3593	3600	3615	3624	3629	5.0	-1.6	0.9	3621	3563	3595
14. Communication	2256	2265	2260	2266	2268	2272	2274	2279	2284	2287	0.9	2.0	0.5	2218	2262	2273
15. Trade	25680	25407	25413	25503	25597	25697	25785	25887	25979	26080	1.2	-2.5	0.9	26150	25501	25742
16. Retail Trade	19508	19326	19374	19423	19500	19580	19645	19725	19803	19890	1.1	-1.9	1.1	19789	19408	19613
17. General Merchandise	2402	2355	2346	2354	2351	2356	2356	2361	2366	2374	-2.1	-4.8	-0.4	2483	2364	2356
18. Food	3265	3227	3248	3261	3274	3286	3301	3316	3331	3345	3.3	-1.3	1.4	3294	3250	3294
19. Automobiles	2061	2032	2040	2049	2053	2057	2060	2062	2063	2066	0.8	-3.7	0.6	2125	2046	2058
20. Eating	6591	6566	6582	6598	6620	6643	6667	6724	6767	6805	2.3	-0.2	1.2	6596	6584	6664
21. Other	5189	5146	5158	5161	5202	5238	5261	5262	5276	5300	-0.1	-2.4	1.5	5292	5163	5241
22. Wholesale Trade	6172	6081	6039	6080	6097	6117	6140	6162	6176	6190	1.5	-4.2	0.6	6362	6093	6129
23. Durable	3607	3527	3497	3517	3527	3543	3561	3573	3583	3590	1.3	-6.1	0.4	3765	3537	3551
24. Nondurable	2565	2554	2542	2563	2570	2574	2579	2589	2593	2600	1.9	-1.6	0.9	2597	2556	2578
25. Finance, Insurance and Real Estate	6765	6709	6692	6700	6716	6733	6771	6804	6848	6872	1.6	-1.7	0.6	6832	6717	6756
26. Services	28594	28640	28745	28894	29160	29417	29612	29929	30075	30226	4.1	1.8	2.8	28209	28718	29530
27. Government	18369	18432	18432	18471	18507	18567	18588	18665	18699	18753	2.9	0.7	0.8	18290	18426	18582
28. Federal	2951	2949	2952	2941	2944	2946	2939	2935	2931	2933	3.3	-4.4	-0.2	3085	2948	2941
29. State & Local	15418	15484	15480	15530	15563	15621	15649	15730	15768	15820	2.9	1.8	1.1	15205	15478	15641
30. Total Payroll	109292	108798	108864	109220	109663	110182	110600	111191	111535	111899	1.8	-1.2	1.3	110327	109044	110409
31. Unemployment Rate	6.5	6.8	6.8	6.7	6.6	6.6	6.7	6.6	6.8	6.8	4.8	21.8	-1.2	5.5	6.7	6.6

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